The Global Newspaper
Edited and Published in Paris
Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,423 32/90 ** PARIS, SATURDAY-SUNDAY, AUGUST 11-12, 1990 ESTABLISHED 1887

Algeria 6.00 Din. Iran 115 Rials Oman 1.000 Rials
Austria 21 S. Israel NIS. 3.50 Poland 15,000 Zl.
Cyprus 0.800 Cm Italy 2,200 Lire Portugal 170 Esc.
Belgium 50 B.Fr. Jordan 1 JD Qatar 8.00 Rials
Cyprus C.£ 1.00 Kenya Shs. 45 Rep of Ireland 80 P.
Czechoslovakia 25 Kr Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr. Lebanon U.S.$1 10 Spain 165 Ptas.
Egypt E.P 3.750 Libya L.Din. 0.80 Sweden 10.00 S.Kr
Finland 9.00 F.M. Luxembourg 50 L.Fr Switzerland 2.60 S.Fr
France 8.00 F Madeira 175 Esc Tunisia 1.000 Din
Germany 2.80 D.M. Morocco 11.00 Dh. Turkey T.L. 3,200 00
Great Britain 2070 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh
Greece 200 Dr. Norway 12.00 N.Kr. U.S. edit. (Eur.) $0.95
Hungary 100 Ft. Nigeria 10,00 Naira Yugoslavia 20 ND.

Yassin Bekrakis/Reuters

King Fahd of Saudi Arabia, above, attending the opening of the Cairo summit meeting Friday with Foreign Minister Saud al Faisal (left) and other members of his delegation. Below, Crown Prince Saad al Abdullah as Salim as Sabah (left) joined Kuwait's emir, Sheikh Jabbar al Ahmad al Sabah. Below right, Deputy Prime Minister Taha Yassin Ramadan led Iraq's delegation to the meeting.

Norbert Schiller/The Associated Press

Mike Nelson/Agence France-Presse

Arabs to Send Saudis a Force To Guard Against Iraqi Attack

By William Claiborne
Washington Post Service

CAIRO — Arab leaders agreed Friday night to send an Arab military force to Saudia Arabia and other Gulf states to protect them from possible Iraqi attack.

The decision by a majority of Arab League leaders at a summit meeting here was seen as a direct response to President Saddam Hussein's call for a holy war against U.S. troops in Saudi Arabia.

Mr. Hussein also exhorted Arab masses to rise up against Arab leaders who he said had blasphemed Islam by opening the door to a foreign presence in the seat of the Muslims' holiest shrines.

Egypt's ambassador to the United Nations, Amr Moussa, said that most of the 20 Arab states at the summit meeting voted for the measure sponsored by the conservative, six-nation Gulf Cooperation Council.

Iraq, Libya and the Palestine Liberation Organization voted against the resolution, while Yemen and Algeria abstained.

The official Iraqi news agency immediately condemned the resolution, saying that it "implemented the American will."

The delegations disclosed no details of the size or composition of the proposed force. Still, summit sources said that even if it were only a token force, as expected, it would send a signal to the Iraqi leader that he faces the wrath of the majority of his Arab brethren as a result of his bellicose actions.

The resolution dramatically illustrated the state of disarray in an Arab world turned upside down since the first attack by one Arab nation against another.

Raising the stakes in the volatile crisis over Iraq's invasion and occupation of Kuwait a week ago, Mr. Hussein also threatened the stability of the Arab leaders' own countries. He exhorted Muslim militants to rise up and overthrow "corrupt" Arab leaders who condemned the Iraqi invasion and implicitly supported U.S. military intervention.

Reacting to Mr. Hussein's declaration of war and the summit's decision, an Egyptian diplomat and commentator, Tasim Bashir, said:

"The battle has been joined by Arab moderates who accept international legitimacy and those who exploit the frustration and humiliation of Arabs by offering far more than they can deliver."

The leaders of the 21-nation Arab League ended a second closed-session of their emergency summit Friday night amid exchanges of angry words between the Iraqi and Saudi delegates and a walkout by the deposed emir of Kuwait, Sheikh Jabbar al Ahmad al Sabah.

No official reason was given for the emir's abrupt departure, which took place as Egypt's president, Hosni Mubarak, struggled to save the summit meeting from collapsing in discord.

However, summit sources said the walkout resulted from a series of angry exchanges with the Iraqi delegates which later were interupted when Kuwait's foreign minister, Sheikh Sabah al Ahmad al Jabbar as Sabah, collapsed and lost consciousness.

Egypt's official Middle East News Agency reported there was also a heated argument between Saudi Arabia's foreign minister, Prince Saud al Faisal, and his Iraqi

See ARABS, Page 4

A New Call to Arms By Saddam Hussein

Compiled by Our Staff From Dispatches

MANAMA, Bahrain — President Saddam Hussein of Iraq urged the Arab world Friday to attack Western forces in the Gulf region, overthrow the Saudi royal family and take back the Muslim holy sites in Saudi Arabia.

Mr. Hussein's message, read over Iraqi radio and television, came before a majority of Arab leaders agreed to confront him by sending forces to Saudi Arabia and other Gulf states.

Mr. Hussein also called on Egyptians to stop foreign fleets from sailing through the Suez Canal.

He signaled that Iraq's intentions might be wider than the annexation of Kuwait, calling for the seizing of Islam's holiest shrines, which lie within Saudi Arabia.

"Hit their interests wherever they are, and rescue holy Mecca and rescue the grave of the prophet," he said, referring to the tomb of Mohammed in Medina.

Mr. Hussein had said previously that he did not intend to invade Saudi Arabia.

His message was a clear appeal to Arab masses to act against leaders *who have condemned Iraq for* its invasion and annexation of Kuwait.

Mr. Hussein has been under intense economic and military pressure after his Aug. 2 invasion of Kuwait.

Mr. Hussein called on Egyptians to prohibit Western military fleets that were being sent to the region from using the Suez Canal.

He urged Arabs everywhere to attack the Western forces.

"Burn the soil under their feet!," he exhorted them. "Burn the soil under the feet of the aggressors and invaders who want harm for your families in Iraq!"

"We shall be victorious, God willing, and evil and corruption will be trampled wherever it is, and the sun will rise on the Arabs, and the Muslims and God will be happy after we purify our souls and land from the foreigners."

The Iraqi president denounced the leaders of the oil-rich states of the Gulf that are friendly with the West.

"Make it clear to your rulers, the emirs of oil, as they serve the foreigner; *tell the traitors there is no* place for them on Arab soil after they humiliated Arab honor and dignity," he said.

Without mentioning Saudi Arabia's King Fahd by name, he lashed out at "corrupt" Arab leaders who opened the doors for U.S. forces.

He pledged that Iraqi troops would fight any foreign intervention in Arab nations. *(AP, Reuters)*

Related Articles

Iraq says Westerners it holds in Baghdad should not be described as hostages. Page 5.
PLO fighters have been mobilized to fight alongside Iraqi forces. Page 4.
Oil prices rose as Iraqi comments hit markets. Page 9.

'We Are Prepared,' Bush Tells Iraq in Warning on Shipping

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush warned Iraq on Friday not to try to defy United Nations sanctions and ship oil out of the Gulf.

"I'm not prepared to use the word *blockade*, but we are prepared," he said at a news conference aboard Air Force One on his way to a vacation in Kennebunkport, Maine. "We're moving ships. I would advise Iraqi ships not to go out with oil."

Mr. Bush, also said there were "disturbing reports of violence" against foreigners trapped in Iraq and Kuwait.

"All countries are concerned about the safety of their citizens," he said. "Part of any planning has to be how to protect citizens."

The president dismissed President Saddam Hussein's call for attacks on Western interests as a "frantic ploy."

"He is so isolated in the world, so much backed into a corner by world opinion, which is almost 100 percent against him, that he has to find some mechanism to try to rally support," he said. "It won't work."

Mr. Bush said that Iraq was shipping less oil than it had been. But he added that "I cannot tell you that it is totally out of the market."

The White House press secretary, Marlin Fitzwater, said earlier that contingency planning was under way for a multinational naval blockade of Iraqi oil exports.

But he said that "it's not necessary now," because the UN embargo against the purchase of oil from Iraq and Iraqi-occupied Kuwait was being respected.

A blockade is also among the elements of the package of sanctions adopted last week by the UN Security Council, but officials said it would not be put into effect unless preliminary efforts to deter imports and exports from Iraq had failed.

A senior administration official said the United States was working with other countries on how best to apply the sanctions.

Asked if a decision had been made to set up a blockade, the official said it had not. But he added: "I would anticipate that we would take some steps to interfere with the export of petroleum prod-

See DEPLOY, Page 4

War Is Not Imminent, Bush Tells Lawmakers

By Fred Farris
International Herald Tribune

WASHINGTON — President George Bush, reporting to Congress on the Gulf crisis on Friday, said, "I do not believe involvement in hostilities is imminent."

Mr. Bush declared that U.S. forces would remain in the region "as long as their presence is required."

"The forces are equipped for combat, and their mission is defensive," Mr. Bush said. "They are prepared to take action in concert with Saudi forces, friendly regional forces, and others to deter Iraqi aggression and to preserve the integrity of Saudi Arabia."

In identical letters to the House speaker, Thomas S. Foley, and Robert C. Byrd, president of the Senate, Mr. Bush officially informed Congress of the dispatch of American air, ground and naval forces to Saudi Arabia and the Gulf region, and noted that additional forces will be sent to the area.

Although U.S. officials have declined to disclose the size of the U.S. deployment, a number of Pentagon and administration sources have said it could result in the largest U.S. deployment of ground troops since the Vietnam War.

Such a deployment could take up to two months, sources said.

Iraq's president, Saddam Hussein, has moved more than 120,000 Iraqi troops to Kuwait and along the border with Saudi Arabia, an action that prompted the deployment of U.S. forces in the region.

Mr. Bush's letters were released Friday by the White House, along with details of his executive orders imposed Thursday night tightening sanctions against Iraq and, now that Baghdad has declared the annexation of Kuwait and its assets, extending them to Kuwait.

Congress is in recess until Sept. 10, but the president, under the War Powers Act, is obligated to inform Congress of his actions.

In his letter, Mr. Bush reported

See BUSH, Page 4

Quick Trigger on Poison Gas

Iraq Gradually Shifted Tactics During War With Iran

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — When Iraqi military forces launched a successful nighttime offensive to regain territory held by Iran in June 1988, they began by firing artillery shells containing mustard gas and followed quickly with poison gas bombs dropped from airplanes and helicopters. Then they began a tank assault.

The battle of the Majnoon Islands, in a lake north of Basra, was one of only a few in the eight-year conflict in which Iraq used chemicals in a planned attack, rather than to fend off tactical defeat.

As a result, its legacy figures prominently in the nightmare scenarios of U.S. military planners who are endeavoring to protect soldiers dispatched to Saudi Arabia.

Unique among Third World nations, Iraq has attained extensive battlefield experience with highly toxic mustard gas and the deadly nerve agents tabun and sarin.

It also has what is perhaps the world's largest operating network of poison gas factories, research laboratories and protected storage facilities.

With engineering and technical assistance from the West German firm Karl Kolb GmbH and other European experts, Iraq began to produce poison gas weapons in the early 1980s and first used them in the Iranian conflict in 1983.

By the end of the war as many as 50,000 Iranians, including civilians and children, may have been wounded or killed by it.

Before 1988, according to Western analysts, Iraq typically waited until it was facing strongly unfa-

See GAS, Page 4

Mock Battles, Real Problems

War Games Revealed Flaws in U.S. Deployment Plans

By Molly Moore
Washington Post Service

WASHINGTON — For the past several months, a specialized team of navy strategists has been traveling to military command posts throughout the United States with the results of their latest war game: an Iraqi invasion across Kuwait into Saudi Arabia.

Army officials are also sifting through lessons learned in their war scenario of the year 2015: A Middle Eastern nation seeks U.S. military aid after an oil-rich neighbor is overrun by an Arab aggressor.

Both hypothetical scenarios, dreamed up by military academics and planners and discussed at a series of recent conferences, revealed serious shortcomings in the ability of U.S. armed forces to sustain combat in situations almost identical to that now unfolding in the Middle East, according to military officials.

The games revealed problems in getting large numbers of American ground forces to the region and difficulties resupplying troops in the area without major support from other nations, officials said. The scenarios also found that the introduction of chemical weapons would reduce soldiers' ability to fight by forcing them to don protective gear.

All are significant concerns that have been raised by military officials involved in the deployment of U.S. troops, equipment, aircraft and ships to the Gulf region to defend Saudi Arabia against attack from Iraqi forces that have seized neighboring Kuwait.

"We could be anointed for seeing the future,"

See LESSONS, Page 4

Kiosk

Iraqi Threats Buffet N.Y. Stocks

NEW YORK (Combined Dispatches) — Share prices tumbled 55 points Friday on the New York Stock Exchange following a call by Iraq's president for Arab unity, which sparked fears of an escalating conflict in the Middle East.

The Dow industrials recovered later in the day after the early drop triggered one of the market's "circuit breakers," and closed at 2,716.58 points, down 42.33.

Besides Saddam Hussein's speech, rising oil prices and a declining bond market also hurt stocks. (Page 9).

General News

Armenia's new leader ordered armed groups to report for service with the police. Page 2.

Crossword Page 3.

Dow Close
2,716.58
Down
42.33

The Dollar in New York

DM	1.591
Pound	1.8735
Yen	150.45
FF	5.3375

MONEY

Strategies for money management in times of crisis, including a look at winners and losers of the 1973 oil embargo. Pages 14-15.

A 'Dream' Finding on Genetic Disease Offers Clues to Cancer

By Natalie Angier
New York Times Service

NEW YORK — Through a mixture of ferocious drive and almost magical good luck, scientists who just a month ago reported finding the gene responsible for a disfiguring disorder of the nervous system have now discovered how the gene causes it.

So central does the gene seem to be to the growth and overall health of cells that investigators predict the discovery of its function will yield deep insights into cancer and neurobiology.

The discovery significantly brightens the chances of developing new treatments for the potentially deadly disfiguring disease, neurofibromatosis, sometimes called Elephant Man's disease.

It also strongly suggests that the protein responsible for the illness is identical or related to proteins involved in common human cancers, including tumors of the lung, liver and brain. Scientists say that with the new results, researchers who once dismissed neurofibromatosis as a genetic curiosity will be racing to study it for clues to cancer.

"Not only is this work the best thing that has happened in neurofibromatosis research, it also has enormous implications for neurobiology and tumorigenesis," said Dr. Allan E. Rubenstein, an associate professor at the Mount Sinai School of Medicine in New York City, who also is the medical director for the National Neurofibromatosis Foundation.

"It's a really thrilling advance in terms of understanding how brain tumors develop."

The new results indicate that the neurofibromatosis gene normally works in the body to stem the growth of tumors. Researchers say the disease develops when a person inherits a mutant copy of the gene that is unable to perform its tumor-fighting tasks.

"It's very exciting and it's very gratifying," said Dr. Michael Wigler of Cold Spring Harbor Laboratory in New York, who has worked on problems related to the new finding. "In science you so often have to work on a minute aspect of creation. Here they've hit upon something that is far more generally applicable."

Dr. Raymond L. White and his colleagues at the Howard Hughes Medical Institute at the University of Utah School of Medicine in Salt Lake City report their results in the latest issue of the journal Cell.

On July 13, Dr. White and another team of scientists led by Dr. Francis S. Collins of the University of Michigan announced the isolation of the neurofibromatosis gene after a three-year search.

In the new work, the Utah investigators have found that the gene produces a protein similar to a protein already thought to play an important role in blocking cancer.

Many biologists are studying the familiar protein, known as the GTPase-activating protein, or GAP.

By linking neurofibromatosis to a protein of such intense scientific interest, Dr. White and his co-workers virtually assure that biologists who had paid scant attention to the genetic disease will now leap on it for clues to carcinogenesis, thereby hastening research progress on numerous fronts.

Benjamin Lewin, the editor of Cell, said that he knew the result would prove of such broad interest to biomedical experts that he rammed the paper through to publication in the uncommonly short time of two weeks.

"With seminal observations like this, which will spark a whole new field of inquiry, we felt justified in publishing this quickly," he said.

Dr. Collins said he had made similar observations about the link between the neurofibromatosis protein and GAP, and has a paper on the subject now in press.

"All of this is good news for neurofibromatosis patients," Dr. Collins said. "To have your gene fit into one of the most active areas of scientific investigation is a dream come true."

Neurofibromatosis afflicts about 1.5 million people worldwide, 100,000 of them in the United States. It is characterized by dark patches on the skin, called café au lait spots, and tumors known as neurofibromas, which grow under the skin and along nerves and nerve fibers.

Usually, the tumors are not malignant enough to spread to other parts of the body, but they can kill if they develop in vital areas of the brain.

The growths also can become disfiguring. The disease is mistakenly named after the original Elephant Man, Joseph Merrick, a 19th-century Londoner. Doctors now say Mr. Merrick suffered from a cranial disease, Proteus syndrome.

Researchers say the new results suggest several potential avenues for treating neurofibromatosis. They said the protein the patients lack could be delivered to the site of incipient tumors, where it presumably would switch off wild cell division. They also said drugs could be produced to block part of the cancer cascade that is unleashed in the absence of the neurofibromatosis protein.

A Success for Magellan: Space Probe Begins Orbiting Venus

United Press International

PASADENA, California — NASA's Magellan radar mapping satellite pulled into orbit around Venus on Friday in what appeared to be a major success for the $551-million mission.

A solid-fuel motor bolted to the base of the Magellan, which weighs 2,525 pounds (about 1,150 kilograms), ignited on command, burned for 83 seconds and then put the craft into orbit around the second planet from the sun.

Magellan is scheduled to produce more information than any spacecraft ever built.

Radar data beamed back to Earth from Magellan will be processed by computers to create photographic images of Venus's surface, showing features as small as 350 feet (about 110 meters) across, about 10 times better than the best previous data.

"Every indication so far is that this burn went absolutely normally," said a spokesman at the Jet Propulsion Laboratory.

Had the rocket failed to fire, Magellan would have sailed past Venus and into a useless orbit around the sun. But the maneuver appeared to be near perfect, giving the National Aeronautics and Space Administration a much-needed morale boost.

If all goes well, the solar-powered probe will begin sending radar pulses to Venus around Sept. 1, making images of the surface that may help determine why Venus, so similar to Earth in many ways, has a temperature of 900 degrees.

It was the most critical event for Magellan since the probe was launched from the shuttle Atlantis on May 4 last year.

The 4,731-pound rocket, built by Thiokol Corp. of Odgen, Utah, worked as planned, setting the stage for a long-awaited mission to map the surface of Venus in detail.

After about a month of checkout and calibration, science operations will begin.

Magellan itself, built by Martin Marietta Astronautics Group of Denver, was designed to map at least 90 percent of Venus's surface during its planned mission of 243 days, photographing features as small as a sports field to revolutionize knowledge about the planet.

Unlike the spectacular but brief planetary flybys of the Voyager program, Magellan will remain in orbit around Venus indefinitely.

■ Hubble Fault Found

The U.S. panel investigating the $1.5-billion Hubble Space Telescope has found what appears to be the cause of the instrument's flawed mirror: a spacing error of about one millimeter (.0394 inches) in an optic device used to guide the making of the telescope's main mirror, The New York Times reported.

The error, which is considered huge for an optical system, was discovered in tests done at the mirror maker's plant, NASA said. A millimeter is about the diameter of the tip of a ball-point pen.

NASA said that "a discrepancy of this magnitude" could account for Hubble's flaw. Astronomers and physicists went further, saying the spacing error was most likely the culprit.

The finding all but pinned down the cause of the problem as a manufacturing error rather than a design flaw. It also gave astronomers a firmer basis for designing future Hubble instruments, to be lofted to the telescope in three years.

Scientists said they were delighted the painful saga was drawing to a close. "I feel relieved," said Dr. William G. Fastie, a physicist at Johns Hopkins University who helped oversee the making of Hubble's mirrors. "The uncertainty was almost as bad as the fiasco itself."

Dr. Daniel J. Schroeder, an astronomer at Beloit College in Wisconsin who also helped in the design of the mirrors, said the finding was critical to correcting the telescope's problems.

New Armenian Leader Orders Armed Groups To Join Police Forces

Reuters

YEREVAN, U.S.S.R. — Armenia's new nationalist president, Levon Ter-Petrossian, told the republic's many rebel paramilitary groups Friday to report for service with the police.

President Mikhail S. Gorbachev issued a decree two weeks ago threatening to use force against the armed groups that have flourished in Armenia in recent months unless they turned in their weapons.

But the deadline for handing in the arms passed peacefully Thursday after Mr. Gorbachev accepted Mr. Ter-Petrossian's assurances that he could disarm the groups without the involvement of the central Soviet authorities.

On Friday, there was no sign of armed paramilitary forces on the streets of Yerevan. But unarmed men in green uniforms carried out routine checks, seeking to confiscate any state-owned cars.

Paramilitaries have confiscated hundreds of government cars during the last months, arguing that they were needed by the people.

Ethnic violence and the rise of the armed groups, many of which number several thousand, have given a more dramatic edge to Armenian drive for sovereignty.

The Armenian parliament was debating three possible declarations Friday. One involved a full declaration of immediate independence, similar to that which has brought the Baltic republic of Lithuania into conflict with Moscow.

But Armenia, which has been caught up in a violent ethnic conflict with Azerbaijan and is still grappling with the devastation of a 1988 earthquake, was more likely to adopt a declaration demanding greater autonomy within the Soviet Union.

Dvigan Khachaturyan, a Communist delegate, said the primary aim must be to restore internal stability and solve the problem of the Nagorno-Karabakh Autonomous Region, the disputed enclave within neighboring Azerbaijan.

Hundreds of people have been killed in clashes between Armenians and Azerbaijanis over the region.

The armed groups, denounced by Moscow, were born largely of Armenian fears that the Soviet Army could not provide enough protection against what they described as Azerbaijani aggression.

Mr. Ter-Petrossian's challenge now is to recruit the more disciplined forces from the armed groups and use them to fight crime.

■ Karelian Declaration

The parliament of the Autonomous Republic of Karelia has adopted a declaration of sovereignty proclaiming the primacy of its laws over those of the Russian Republic and the Soviet Union, Agence France-Presse reported Friday, quoting Tass.

The proclamation marked the first declaration of sovereignty by a Soviet autonomous republic, an area usually defined along ethnic lines that forms a constituent part of a full republic. Such areas enjoy limited authority to handle matters.

Bomb Kills 15 In Azerbaijan

Reuters

MOSCOW — At least 15 persons were killed and 16 injured Friday when a bomb blast ripped through a bus in the Soviet republic of Azerbaijan, the local Azerinform news agency reported.

The bus was taking about 60 people from the Georgian capital of Tbilisi to Agdam, a town on the border of the Nagorno-Karabakh Autonomous Region, which is claimed by neighboring Armenia.

The explosion, caused by a homemade bomb, occurred 20 kilometers (12 miles) from the town of Gyandzha, a hotbed of Azerbaijani nationalism, Azerinform said by telephone.

The Associated Press

South African fire fighters dousing a blaze in one of the stores set by rioters in a mixed-race district of Port Elizabeth.

Riots Spread in South Africa Mixed-Race Areas

Compiled by Our Staff From Dispatches

PORT ELIZABETH, South Africa — Rioting spread from here to neighboring Uitenhage on Friday and the police said that 42 people had been shot to death since Monday.

Major Bill Dennis said police and soldiers worked through the night to bring five days of rioting under control in the mixed-race areas of Port Elizabeth.

But he said the violence spread to the neighboring carmaking town of Uitenhage, about 30 kilometers (18 miles) away, where black and mixed-race crowds burned and looted stores Friday.

But, he added, the situation was returning to normal after a major operation by the police backed by the army and air support.

By Friday, security forces had gained control of the flashpoints in Port Elizabeth and Uitenhage and all barricades had been removed.

Reports said up to 200 people were hospitalized and more than 100 arrested after police and looters fought running battles in the streets. Most of those killed and injured suffered shotgun wounds, the police said.

About 32 stores, six houses, three schools, two factories and a church were gutted during four days of looting, which began when protests against rent increases turned violent.

Major Dennis said 40 people had been killed in Port Elizabeth since Monday, nine of them during the night. Two people were killed in Uitenhage early Friday.

"They have all been shot by police using shotguns or by shopkeepers protecting their property," he said.

The law and order minister, Adriaan Vlok, said he would send police and military reinforcements to the southcoast city to contain what the police called the worst violence since 1985.

The national police chief, General Mulder van Eyck, said 160 people were arrested and police were studying video tapes to identify looters. *(Reuters, AP)*

Rebels Race African Force Into Liberian Capital

The Associated Press

MONROVIA, Liberia — Rebels pressed a last-ditch effort to take this capital city Friday and defeat President Samuel K. Doe's troops ahead of a West African force aiming to halt Liberia's civil war.

An insurgent force loyal to Charles Taylor launched a new advance after battling to within a mile (1.6 kilometers) of Mr. Doe's executive mansion on Thursday, reporters traveling with the rebels said.

The rebels are trying to capture Monrovia before before the five-nation task force, dominated by Nigerian soldiers, arrives to impose a cease-fire.

In recent weeks Mr. Doe's forces in the capital have also been fighting members of a rival rebel force under Prince Johnson.

Mr. Doe and Mr. Johnson have welcomed the West African initiative, but Mr. Taylor is opposed. He fears Nigerian participation because Nigeria's leader, Major General Ibrahim Babangida, has been an ally of Mr. Doe.

The peacekeeping troops were massing across Liberia's northern border in Guinea and to the east on the Sierra Leone border, according to military sources in Ghana and Sierra Leone. There were reports that 500 troops might be airlifted into Monrovia.

The West Africans moving into Liberia say they will enforce a cease-fire to allow formation of an interim government charged with organizing free elections within a year.

A Doe spokesman accused U.S. marines of having shot at the leader Thursday from a helicopter, but the U.S. State Department denied it.

The spokesman, Selly Thompson, said in a BBC interview that a former justice minister, Isaac Nyaplu, had been wounded in the attack. He appealed for the international community to pressure the United States to stop its "excessive harassment to remove Doe."

But a State Department deputy spokesman, Richard A. Boucher, said that the 235 marines airlifted into Monrovia last Sunday to evacuate Americans were there to protect the embassy and U.S. citizens and not to intervene in the fighting or take sides.

He said the United States had evacuated 150 people from Liberia in the past week, including the French and Italian ambassadors.

In Rome, a United Nations agency said it would send $16 million in emergency food aid to help feed about 400,000 people uprooted by the war. The food will be shipped to Liberia and the neighboring Ivory Coast, Guinea and Sierra Leone, where tens of thousands of Liberians have taken refuge.

At least 5,000 people have died in the war, which began in December when rebels invaded from the Ivory Coast seeking to depose Mr. Doe, whom they accuse of corruption and mismanagement.

German-Soviet Treaty Is Suggested by Kohl

The Associated Press

BONN — Chancellor Helmut Kohl proposed Friday that the Soviet Union and Germany sign a "comprehensive cooperation treaty" immediately after German unification.

He made the proposal in a letter to President Mikhail S. Gorbachev on the 20th anniversary of the signing of the Moscow Treaty, in which the two nations renounced the use of force to settle their differences.

In his letter Mr. Kohl made reference to the carnage and death caused in the Soviet Union by the Nazis' invasion during World War II.

"Remembering the sorrowful chapter of history that must never be repeated and whose lesson must be heeded, we Germans are ready to build cooperation with the Soviet Union on a broad basis, in order to establish long-lasting trust and good-neighborly relations," he wrote.

News of the letter comes just one week before a visit by the West German foreign minister, Hans-Dietrich Genscher, to the Soviet Union.

Mr. Genscher will begin preparations for the final round of talks on German unity between the four World War II Allies and the two Germanys. The talks focus on the international complexities of reunification.

The negotiations got off to a rocky start earlier this year in Bonn when the Soviets insisted that a united Germany not belong to the North Atlantic Treaty Organization. But Mr. Gorbachev dropped his objections during a meeting with Mr. Kohl last month.

Under their agreement the estimated 370,000 Soviet soldiers in East Germany will be pulled out within four years, and NATO troops will not be deployed on what is now East German soil.

East Germany Stops Iraq Trade

The Associated Press

EAST BERLIN — Cash-strapped East Germany halted millions of dollars in trade with Iraq on Friday, joining a worldwide embargo but endangering the fragile existence of some East German factories.

The Economics Ministry said it was complying with a United Nations resolution to cut off economic ties with Iraq because of its invasion of Kuwait. East Germany had been a big exporter of electronics, agricultural machinery, industrial equipment and chemical products to Iraq.

Mr. Schuster said East Germany in the past has exported between $200 million and $300 million in goods annually to Iraq, but that amount had fallen by more than half in the past year because of Iraq's own economic problems.

IN MEMORIAM

OLIVER

On August 4th, suddenly but peacefully, Leslie Claremont Oliver, F.R.C.S., F.A.C.S., loved husband of Regine, dear father and grandfather. Quiet family funeral took place in London.

WORLD BRIEFS

Judge Orders Mexican Doctor Freed

LOS ANGELES (AP) — A federal judge ruled Friday that the U.S. government illegally kidnapped a Mexican doctor to stand trial in the slaying of an American drug agent. He ordered the defendant freed.

But Judge Edward Rafeedie of U.S. district court stayed execution of his order for one week after prosecutors asked for time to consider an appeal. He said that the abduction of Dr. Humberto Alvárez Machain violated an extradition treaty between the United States and Mexico and was an offense against Mexico's sovereignty.

Judge Rafeedie stressed that he was not dismissing the charge against the doctor but merely ruling that the case could not be tried in the United States. The doctor was spirited out of Mexico on charges that he administered drugs to keep Enrique Camarena Salazar, an agent of the Drug Enforcement Administration, alive while he was being tortured.

Pakistan Changes Intelligence Chiefs

ISLAMABAD (AFP) — Pakistan's caretaker government has started reorganizing the country's powerful military and civilian intelligence services since Prime Minister Benazir Bhutto's dismissal, newspapers reported Friday.

Noor Leghari, head of the government's civilian Intelligence Bureau, was fired and replaced by Zafar Iqbal Rathore, the deputy director of police academy, the press reports said. About 50 employees of the Intelligence Bureau have been dismissed and at least seven arrested since Monday for having destroyed "important documents" after Miss Bhutto was sacked, according to the Frontier Post, a Peshawar daily.

The country's new leadership is also considering asking General Hamid Gul, who was fired by Miss Bhutto, to return to the head of Inter Services Intelligence, the military intelligence-gathering body he led from March 1987 to April 1989, the Frontier Post said.

Trawler Captain Charged in France

PARIS (AP) — Criminal charges have been filed against the captain of a Spanish trawler seized by French Navy commandos after a clash in which nine men were injured, officials said Friday.

Maritime authorities in La Rochelle said Imanol Lasarte-Garaide, 28, was charged with acts of violence and taking the law into his own hands. His boat was seized Tuesday for operating illegally in French waters.

The crew resisted when commandos tried to board the trawler, according to French officials. Two commandos and seven Spaniards were hurt as the navy used firearms and stun grenades to take control.

Colombo Plans Major Jaffna Drive

COLOMBO (AP) — The Sri Lankan government said Friday that it planned to evacuate the Tamil civilians living in the northern Jaffna Peninsula before launching a major assault on Tamil rebels. More than a million civilians live there.

Deputy Defense Minister Ranjan Wijeratne said the civilians would be taken to a refugee camp in Vavuniya, 140 kilometers (90 miles) south of Jaffna town and outside the disputed area. He did not say when the evacuation would start or exactly how many people would be involved.

More than one million people, mostly Tamils, live in the northern Jaffna Peninsula, stronghold of ger rebels battling for an independent Tamil homeland in the north and east.

Hungarian Opposition to Speak Out

BUDAPEST (AFP) — Hungary's opposition Alliance of Free Democrats said Friday that a political "nonaggression" pact signed in April with the conservative government was over.

The leader of the Free Democrats, Janos Kis, said that his party opposed the policies of Prime Minister Jozsef Antall's government in an increasing number of areas and intended to criticize them, as any "responsible" opposition party would.

"We are aware that the economy is very weak and that democracy has still not been fully established in Hungary," Mr. Kis said, "but that does not mean we must not oppose government policy when we believe it is catastrophic for the country." The Free Democrats hold 92 of the 380 seats in the Hungarian parliament.

Nerve Gas Transfer Allowed to Go On

HONOLULU (UPI) — A federal judge, saying he did not want to upset U.S.-West German relations, has refused to immediately block the transfer of American chemical weapons from West Germany to Johnston Island in the Pacific for incineration.

U.S. District Judge David Ezra denied a request for a temporary restraining order sought by Greenpeace USA and two native Hawaiian organizations, but he set Aug. 20 as the date for a hearing on a preliminary injunction. He noted that President George Bush had promised Chancellor Helmut Kohl of West Germany that the nerve gas would be removed from German soil by the end of the year and that Congress had agreed the weapons should be destroyed.

The three groups contend that the gas shipments pose a threat to the Pacific environment, and they argue there are safer ways to dispose of the agents. Government attorneys maintain that Johnston Island, a U.S. atoll 700 miles (1,100 kilometers) southwest of Hawaii, is the safest place for the weapons.

TRAVEL UPDATE

Romanian Airline to Revamp Fleet

BUCHAREST (Reuters) — The Romanian state airline Tarom plans to revamp its aging fleet to help meet a surge in demand for foreign travel from Romanians who were virtual prisoners in their own country during the Ceaucescu era.

Tarom's general director, Lorin Dumitrescu, said Friday that the airline was carrying 45 percent more passengers than a year ago. He said that the privatization of Tarom would be considered after a new law on private ownership is passed, probably in the next few weeks.

He said the airline had ordered three Airbus 310s and had placed options for two more.

Lufthansa Plans Full Berlin Service

BONN (AFP) — Lufthansa said Friday it had asked the West German Transport Ministry to authorize it to operate regular domestic and international flights to and from Berlin beginning Oct. 28.

Lufthansa is planning to operate eight daily services between Berlin and Cologne/Bonn, and four to Frankfurt, Stuttgart, Munich, Düsseldorf and Hamburg. It also hopes to start flights from Berlin to London, Athens, Brussels, Rome, Istanbul and Warsaw, plus weekly services to New York, Beijing, Tokyo and Bankgok.

Istanbul is down to a 90-day water supply, a spokesman said Friday. The city's estimated 8 million people are living through the worst drought in more than half a century. Most districts get water once every three days, but there are delays. The city has launched a campaign to persuade people that disaster will follow if they do not cut back. *(Reuters)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	23	73	17	63	sh
Athens	33	91	22	72	pc
Barcelona	32	90	22	72	pc
Belgrade	31	88	18	64	t
Berlin	28	82	16	61	r
Brussels	27	81	15	59	pc
Bucharest	32	90	18	64	pc
Copenhagen	22	72	13	55	r
Costa Del Sol	29	84	22	72	pc
Dublin	21	70	12	54	pc
Edinburgh	20	68	12	54	r
Faro	31	88	19	66	pc
Florence	32	90	17	63	pc
Frankfurt	28	82	16	61	pc
Geneva	27	81	16	61	pc
Helsinki	22	72	13	55	pc
Las Palmas	28	82	22	72	pc
Lisbon	31	88	18	64	pc
London	23	73	14	57	pc
Luxembourg	26	79	14	57	pc
Madrid	34	93	19	66	pc
Milan	30	86	19	66	pc
Moscow	23	73	14	57	pc
Munich	27	81	15	59	pc
Nice	29	84	20	68	pc
Oslo	22	72	11	52	pc
Paris	28	82	16	61	pc
Prague	27	81	13	55	pc
Reykjavik	14	57	9	48	r
Rome	32	90	19	66	pc
Stockholm	24	75	15	59	pc
Strasbourg	28	82	15	59	pc
Venice	32	90	19	66	pc
Vienna	27	81	14	57	pc
Warsaw	26	79	14	57	pc
Zurich	28	82	15	59	pc

MIDDLE EAST

Ankara	30	86	18	64	pc
Cairo	36	97	22	72	pc
Istanbul	29	84	22	72	pc
Jerusalem	32	90	17	63	pc
Tel Aviv	31	88	20	68	pc

OCEANIA

Auckland	—	—	—	—	—
Sydney	14	61	7	45	pc

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	26	79	sh
Beijing	—	—	—	—	—
Hong Kong	32	90	29	84	sh
Manila	33	91	26	79	t
New Delhi	38	100	28	82	pc
Seoul	31	88	24	75	sh
Shanghai	33	91	25	77	pc
Singapore	33	91	26	79	t
Taipei	36	97	25	77	pc
Tokyo	36	97	25	77	pc

AFRICA

Algiers	31	88	17	63	pc
Cape Town	17	63	11	52	pc
Casablanca	27	81	22	72	pc
Harare	23	73	8	46	pc
Lagos	26	79	22	72	t
Nairobi	26	79	12	54	pc
Tunis	30	86	21	70	pc

LATIN AMERICA

Buenos Aires	—	—	—	—	—
Lima	—	—	—	—	—
Mexico City	24	75	13	55	pc
Rio de Janeiro	25	77	19	66	t

NORTH AMERICA

Anchorage	17	63	9	48	sh
Atlanta	31	88	22	72	t
Boston	27	81	18	64	pc
Chicago	28	82	21	70	t
Denver	33	91	14	57	pc
Detroit	28	82	16	61	pc
Honolulu	31	88	24	75	pc
Houston	34	93	24	75	pc
Los Angeles	24	75	17	63	pc
Miami	34	93	24	75	t
Minneapolis	31	88	21	70	pc
Montreal	27	81	15	59	pc
Nassau	31	88	24	75	t
New York	28	82	21	70	pc
Phoenix	42	108	30	86	pc
San Francisco	22	72	15	59	pc
Seattle	25	77	15	59	pc
Toronto	26	79	17	63	pc
Washington	28	82	22	72	t

cl-cloudy; fa-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-shower; st-storm.

SATURDAY'S FORECAST — CHANNEL: Smooth. FRANKFURT: Temps. Sunny. 30—12 (86—55). LONDON: Temps. Cloudy. 27—13 (81—57). MADRID: Temps. Sunny. 34—17 (93—63). NEW YORK: Temps. Showers. 29—22 (84—72). PARIS: Temps. Sunny. 31—14 (88—61). ROME: Temps. Sunny. 32—19 (90—66). TEL AVIV: Not available. ZURICH: Temps. Sunny. 28—12 (82—54). BANGKOK: Temps. Showers. 35—25 (95—77). HONG KONG: Not available. MANILA: Temps. Cloudy. 33—24 (90—75). SEOUL: Temps. Showers. 32—23 (90—73). SINGAPORE: Temps. Showers. 27—24 (81—75). TOKYO: Temps. Cloudy. 29—25 (84—77).

RELIGIOUS SERVICES

COPENHAGEN
The INTERNATIONAL BAPTIST CHURCH meets at Boggesenagade No. 7, each Sunday; 9 a.m. Phone: 31 39 51 40.

MADRID
COMMUNITY CHURCH OF MADRID. English speak. non-denom. worship and S.S. 11:00 Sundays. Nursery. Meets at General Yague, 26. Pastor, Tel.: 446-2681.

MUNICH
INTERNATIONAL COMMUNITY CHURCH, services in English 4:30 p.m. Sundays at Enhuberstr. 10. (U2 Theresienstr.). Pastor Ronnie Stevens (089) 850-8617.

UNITARIAN UNIVERSALIST, Fellowship, "For Those With Questions", 690-2036, Building 311-A-3, Perlacher Forst Housing Area. Meets fourth Sunday each month at 11 a.m.

PARIS and SUBURBS
THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

HOPE INTERNATIONAL CHURCH (at La Chapelle Evangélique, La Défense CNIT Center), Sun. 9:45 a.m. with Sun. School for children. Evangelical & for everyone. Metro: RER (A) La Défense. Parking: Défense 4. Fri. 7:30 p.m. home Bible studies. Call Pastor Henry Paxsonen: 47 73 53 54.

ZURICH
INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zurich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 720-2762.

EUROPEAN BAPTIST CONVENTION

DÜSSELDORF
INTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Daley, Pastor, Tel.: 0211/400 157.

FRANKFURT
INTERNATIONAL CHRISTIAN FELLOWSHIP of the Taunus (Member European Baptist Convention), Sodenerstr. 11-18, 6380 Bad Homburg. Sundays 9:45. Tel.: 06171-54889 or 06134-23278.

HAMBURG
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at Ev. Freikirchliche Gemeinde Christuskirche, Suttner Str. 18, Hamburg-Altona. Bible Study 1 p.m. + Worship 2 p.m. Tel.: 040/820616.

HOLLAND
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemcampioen 54 in Wassenaar. Tel.: 01751-78024.

MUNICH
INTERNATIONAL BAPTIST CHURCH OF MUNICH, München 83, Schumacherring 24. English Language Services. Sunday School 12:00, Worship Service 1:00. Pastor's phone: 690 8534.

PARIS and SUBURB
EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship: 10:45. Vesper Service, 6:30 p.m. 123 Ave. de Maine, Metro Gaite. Call 47.51.29.63 or 47.49.15.29 for information.

ASSOC. OF INT'L CHURCHES IN EUROPE & MID. EAST

BERLIN
AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9 a.m., Worship 10:30 a.m. Tel.: 030-8132021.

BRUSSELS
The American Protestant Church, Worship 10:30 a.m. Kattenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

COPENHAGEN
INT'L CHURCH (Vartov), 27 Farvergade, nr. Townhall. 11:30 a.m. Tel.: 31 624785.

FRANKFURT
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), S.S. 9:45, worship 11 a.m. Tel.: (069) 512552.

GENEVA
EV. LUTHERAN CHURCH of Geneva worshiping at St. Germain Church, 9 rue des Granges at 10:30. Tel.: (022) 20.50.89.

LONDON
AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, S.S at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel.: (01) 580 2791.

OSLO
American Lutheran Church, Fritznergt. 15 Worship & Sunday School 10 a.m. Tel.: (02) 44.35.84.

PARIS
AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STAVANGER
INTERDENOMINATIONAL CHURCH Sunday worship 9:30 a.m. The Hetland Church, Storhaugm. 2. Tel.: (04) 564843.

STOCKHOLM
EMMANUEL CHURCH, Kungsterag. & Birger Jarl. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

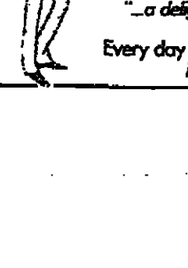
UNITED CHRISTIAN CONGREGATION, Santa Klara Church, Ostra Kyrkogata 8, English service 10:00. Tel.: +46-8-723 3029.

VIENNA
VIENNA COMMUNITY CHURCH: A-1010 Vienna, Austria, Dorotheergasse 16. Services Sundays 11:30 a.m.

WARSAW
WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.); Ul. Piekna 14 A. Tel.: 43-29-70.

ZURICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

TRAVEL ADVISORY FEATURE



Discover the World's Greatest Buys In One Go

You could shop around the world, or take home the best of world shopping in one go, from one place.

Abu Dhabi Duty Free. Over 50,000 items, 18 ultra modern shops and the world's lowest duty free prices.

ABU DHABI DUTY FREE

Abu Dhabi Airport Duty Free

AN AMERICAN NEWSPAPER IN PARIS

James Gordon Bennett and the New York Herald
A special exhibition
on the history and legends of the newspaper which has become today's
International Herald Tribune.
"...a delightful look at Belle Epoque Paris."
Associated Press
Every day except Monday, through Sept. 30.
Musée d'Orsay, Paris.

Californians Are Up in Arms as U.S. Troops Enter the War on Marijuana Gardens

By Katherine Bishop
New York Times Service

GARBERVILLE, California — In the first use of active-duty troops to fight marijuana growing in the United States, a contingent of about 200 army soldiers, National Guardsmen and federal agents have just spent two weeks raiding clandestine "gardens" in a federal conservation area.

The residents of Humboldt County have responded with a storm of protests, complaining that the military convoys through their towns, the Blackhawk helicopters over their homes and the camouflaged National Guardsmen prowling the woods with their M-16 rifles have made the war on drugs too much like a real war.

The guardsmen and agents from the Bureau of Land Management and the Drug Enforcement Administration destroyed 1,200 marijuana plants and seized five tons of equipment used to maintain the remote gardens. No suspected marijuana growers were arrested.

Many residents and local law-enforcement officials say that the two-week campaign achieved paltry results at the cost of violating civil rights and environmental protection laws and bolstered an outdated image of this area, in the northwestern corner of the state, as the center of U.S. illegal marijuana production.

In the early 1970s this rural area of rough-and-tumble loggers and timber workers became a home for hippies and back-to-the-land homesteaders leaving urban areas.

By the early 1980s the growing of marijuana on remote areas of private and public lands had become so bold and widespread that Garberville, with a population of about 1,500, had been transformed into something from the Wild West, the unofficial capital of the "Emerald Triangle," as the growing areas of Humboldt, Trinity, and Mendocino counties quickly became known.

Growers armed with automatic weapons raising gardens protected by booby traps became the central image of the area.

Local and state law enforcement efforts that began in 1983 have eradicated much of the marijuana production.

"This is so frustrating when the federal government comes in and spends enough money that would keep my operation going for three or four years," said Sheriff David Renner of Humboldt County. His team of five deputies, cooperating with the state's seven-year-old Campaign Against Marijuana Planting, destroyed over 3,000 plants in one day this week.

Sheri Bell, a spokesman for the Bureau of Land Management, which organized the federal effort, said the operation had been designed to return the King Range National Conservation Area to its natural state and make it safe for public use.

"We want to send a clear message that we will not tolerate illegal drug activity on public land," she said. "We want to reclaim King Range for the people who own it."

Ms. Bell said the government hoped to use the effort here as the prototype for similar actions on public lands in other states where marijuana is grown.

Federal Drug Enforcement Administration statistics show that marijuana remains the United States' No. 1 cash crop.

Local opinion has run high against the operation. One small newspaper, the Southern Humboldt Life and Times, in Redway, editorialized against it, calling it "the highest-paid janitorial service in history."

It is difficult to come up with a meaningful cost of the two-week drive. For example, the National Guard said that it spent $400,000 but emphasized that the money would have been spent in any case on other training exercises.

The campaign has already prompted a civil lawsuit filed by some county residents seeking to prohibit the use of army troops for the domestic enforcement of anti-drug laws and seeking to restrict helicopters from flying low over private homes.

County residents also demonstrated at the entrance to the campaign's staging area, west of Garberville. They carried signs reading "Stop U.S. military terrorism" and waved American flags and giant plastic bubble wands, all to the accompaniment of the Garberville Marimba Band.

Some residents argue that many of the protesters support the growing and use of marijuana. Many of the protesters say they oppose drug use, including alcohol, but feel that the military tactics are an unnecessary escalation of the fight against drugs.

As the soldiers and guardsmen left town, they drove by the Garberville Theater, whose marquee has become the bulletin board for community sentiment about their work. It read: "Green Sweep U.S.A. — Another $700 Hammer."

Kimimasa Mayama/Reuters

TANGLE IN A TYPHOON — A Tokyo resident grappling with the remains of her umbrella on Friday as a typhoon brought downpours and landslides to the drought-stricken center of Japan. Winds peaked at 108 kilometers per hour.

In Peru, Fujimori's Backers See Betrayal in Austerity Plan

By Michael L. Smith
Washington Post Service

LIMA — During the presidential runoff campaign three months ago, Alberto Fujimori criticized his opponent, the novelist Mario Vargas Llosa, for proposing economic shock measures to bolster Peru's stumbling economy.

Mr. Fujimori warned that such actions would reduce living standards and burden the poor.

But this week, President Fujimori's new government announced emergency measures of its own to curb runaway inflation and cut Peru's huge national debt, a plan that immediately sent prices of gasoline and daily staples soaring.

The response was hard and quick. Public protests shut stores and factories and paralyzed transportation as many Peruvians accused their new president of breaking his campaign promise. Police sources said three people were killed in Lima by troops clamping down on shantytown protests.

Bus drivers struck, forcing commuters in Lima and other cities to walk to work. The government later reached an agreement with transport firms to supply fuel for five days until new fares are set.

Nearly the entire country has been under a state of emergency since Tuesday, giving the army wide powers over law enforcement and suspending most civil rights.

The economic measures appeared to be the first installment in a plan designed to show that the Fujimori administration, which took office July 28, is prepared to pay a stiff price to clean up public finances and improve Peru's standing in the international financial community. Mr. Fujimori apparently is gambling that a quick, harsh economic correction will win international approval and reopen the flow of funds to Peru.

The measures, made public late Wednesday by Prime Minister Juan Carlos Hurtado Miller, included removal of all government consumer subsidies and an increase in prices of staple foods and utility services. The price of gasoline was increased 30-fold to $2 a gallon, while the price of bread and milk nearly tripled.

To offset the increases, the government ordered employers to provide bonuses — of at least $23 each — to all employees within five days, but critics charged that this was far from satisfactory.

"Fujimori lied to us. I voted for him, but he's going to pay for this," said one of many angry callers on a Lima radio talk show.

"It's unfortunate that Fujimori had to create a false image among the people to reach power. Any serious person knew that this kind of drastic adjustment was coming," said rightist Senator Alberto Borea, who supported Mr. Fujimori.

But the government, promising sunnier days, blamed its predecessors for the nation's predicament.

"What we are suffering today was originated by a government that treated us like guinea pigs," Prime Minister Hurtado said in a televised speech Wednesday. Mr. Hurtado, who is also finance minister, criticized past government actions as relying on "a flimsy theory that the state can increase its deficit indiscriminately, invest inefficiently and tolerate corruption and ineptitude of a privileged group that abused its power."

During five years under the former President Alan García Pérez, prices rose more than 2,000-fold. Mr. Hurtado said the price increases would return the country to the economic stability of five years ago.

The inflation rate reached 90 percent last month, according to independent estimates, and private producers have been raising prices sharply in expectation of the government's austerity move. Mr. Hurtado, who also declared that the government would no longer allow public spending to exceed tax revenue, said he would resign in four months if the economic program did not bring inflation down to reasonable levels.

In addition to the price increases, the government eliminated a complex currency exchange system and said it would let the inti, Peru's basic monetary unit, float to its free-market value. The street rate Thursday was 320,000 intis to the U.S. dollar — twice the rate as when Mr. Fujimori took office. Officials said they hope the more realistic rate will promote exports and hold down imports.

The government also imposed an immediate 10 percent tax on exports, which it hopes, along with the increased revenues from gasoline sales, will provide the treasury with a quick infusion of cash.

State officials had expected 200 percent inflation this month, but the gasoline increase alone looked likely to make it much higher.

Raúl Salazar, an economist, described the program as "a good start" but said other measures were still needed. He said the government must also show it has a coherent international economic policy and that it can execute that policy efficiently.

Less Cholesterol, More Aggression?

Reuters

LONDON — Cutting out cholesterol to avoid heart attacks increases the risk of dying by violent means, according to a study published Friday in the British Medical Journal.

The study by researchers from the University of Pittsburgh in Pennsylvania found a low-cholesterol diet appeared to make people more aggressive.

They said that in 1980 the U.S. average mortality rate from motor vehicle accidents, murders and suicides among middle-aged white males was 62 per 100,000 people, as against 107 per 100,000 among people trying to cut their cholesterol level.

Attempts to cut cholesterol, the researchers said, "do not have a robust favorable effect on overall survival."

EDUCATION DIRECTORY

FRANCE

UNIVERSITE DE PARIS SORBONNE
Centre Expérimental d'Etude de la Civilisation Française associé à l'Université

COURS DE CIVILISATION FRANÇAISE

GRADUATE COURSES
- University Courses.
- "MAGISTÈRE de Langue et de Civilisation Françaises" (equivalent to M.A. Credit U.S.A.)
- Sorbonne Summer Session for Foreign Teachers & Students.
- Courses for Teachers of French Language and Civilization.
- Special Seminars on request.

UNDERGRADUATE COURSES
French baccalaureat level required.
- French Language and Civilization Courses. Limited number of inscriptions.
- Fall, Winter and Spring Semesters.
- Summer Courses: June to end Sept.
- Interim Session: January.

Options in Economics and Commercial Studies in each session
- "Certificat Pratique de Français Commercial et Economique",
- "Diplôme Supérieur de Français des Affaires",
- "Diplôme approfondi du Français des Affaires"

2nd part of the "diplôme supérieur"

Diplomas and certificates from the Sorbonne and the Paris Chamber of Commerce and Industry.

Resident visa required. Inquire at the Cultural section of the French Embassy.

Apply to COURS DE CIVILISATION FRANÇAISE, 47 Rue des Ecoles, Paris-5e. Tel.: (1) 40-46-22-11.

FRANCE

ECOLE DE GASTRONOMIE FRANÇAISE RITZ-ESCOFFIER
THE ULTIMATE FRENCH COOKING SCHOOL
Located in the prestigious Paris Ritz.
For cooking enthusiasts and professionals.
One week to 12 week, certificate and diploma courses in cooking, bread and pastry making, wine and table service.
All courses taught in French and English.
Daily demonstrations and summer courses.
Autumn sessions begin September 3rd, 1990.
To receive a 1990 brochure, please call or write:
HOTEL RITZ
15 Place Vendôme 75001 Paris France
Tel. (+ 33 1) 42 60 38 30 Telefax: (+ 33 1) 42 60 23 71

USA

RIVERSIDE MILITARY ACADEMY
1990-91 SCHOOL YEAR OPENINGS
Grades 9-12, postgraduate. An economical boarding school with small classes. Fully accredited, general and college prep courses. Superior faculty. Individual attention. "Honor Military School" with a tradition of excellence since 1907. All sports, indoor Olympic pool, large field house, 200 acre campus. Summer School. June-August. Catalog.
Contact: SUPERINTENDENT, RIVERSIDE MILITARY ACADEMY, BOX R910 GAINESVILLE, GA. 30501, U.S.A.
Phone: 404-532-6251

SWITZERLAND

INTERNATIONAL EDUCATION CONSULTANT
Free advice. Switzerland, UK, etc.
Douglas Read, MA, DAL
59, route Suisse, 1295 MIES, Switzerland
Tel.: 022 7552195
Fax: 022 7983842 (Attn: Read)

UNIVERSITY OF HARTFORD

THE AMERICAN MBA IN PARIS

A 48-credit Master of Business Administration Degree taught by the faculty of the University of Hartford
11 months of intensive study in English delivered for the sixth consecutive year by the University of Hartford (established in 1877 - student body of 8000)
Admission is competitive and selective. The ambiance is international (39 nationalities represented since 1985)
September to April in Paris. Summer on the 300-acre Hartford Campus located between New York and Boston
The University of Hartford now offers a Part-Time MBA Program **(evening classes over a 3 year period)**
For more information on this exciting educational opportunity Contact Carol Johnson
UNIVERSITY OF **HARTFORD** BUSINESS SCHOOL
8 Terrasse Bellini, 92807 Paris-La Defense-Puteaux
Tel: 49 00 19 61 - Fax: 47 76 45 13
Enseignement Supérieur Privé

YOU SAW THIS AD.

So did nearly half a million highly-educated, affluent readers worldwide who are anxious to provide the best education for their children.

Shouldn't you advertise your school in the INTERNATIONAL HERALD TRIBUNE?

igedo düsseldorf
september 9-12, 1990
europe's biggest fashion fair

ESCADA
in Paris at
Marie-Martine
FALL-WINTER COLLECTION
Export prices
8, rue de Sèvres, Paris 6th.
Tel.: (1) 42 22 18 44

Dining Out

FLENSBURG

CHEZ PAUL
in "Hotel an der Grenze"
* German/Danish Border * $ 200
* Delicious French cuisine in one of the best and charming restaurants in Northern Europe. Phone 0461 - 7020.

MAISONS-LAFFITTE

AUBERGE D'ALENÇON
Gastronomical cuisine in an exquisite setting. American Bar. Terrace. Garden. About FF 230. Conf. rooms. Cl. Wednesdays. 17, cv. de St-Germain. Tel.: 39.12.19.99.

NEW YORK

LA COLOMBE D'OR
Recently awarded three stars by The New York Times, we offer a Provence inspired cuisine with contemporarily flourishes. Serving lunch and dinner at 134 East 26 Street, New York, N.Y. Tel.: (212) 689-0666.

PARIS 1st

L'ALSACE AUX HALLES
Shellfish. Fish. Choucroutes. Day and night.
16, rue Coquillière. Tel.: 42.36.74.24.

CONALL CARR AUBERGE DE FRANCE
Bar - Restaurant - Warm Welcome
French and Irish cooking.
1, rue du Mont Thabor. Tel.: 42.60.60.26.

PARIS 2nd

KITTY O'SHEA'S PUB
Sister of the famous Dublin Pub located 50 yards from Pl. Vendôme. The French home of Irish Coffee and excellent draught beers.
Jazz & Irish music. Open 7 days.
10 Rue Capucines. T.: 40.15.08.08.

PARIS 7th

CHEZ LES ANGES
In the Michelin Guide. Burgundy Spec. Gastronomical cooking. Cl. on Sun. eve.
54, Bld. Latour-Maubourg. Tel.: 47.05.89.86.

PARIS 7th

THOUMIEUX
Specialties of the South-West. Confit de canard & cassoulet ou confit de canard. Open everyday. 79 r. St-Dominique. Tel.: (1) 47.05.49.75. Near Invalides Terminal.

LA PETITE CHAISE
Delicious cuisine at the oldest and most charming restaurant in Paris. Open in August. Menu 160 FF daily.
36, rue de Grenelle. Tel. Res. 42 22 13 35.

LE VAUBAN
Brasserie and restaurant, with terrace, across from Les Invalides. Average Price 180 Fr./tax incl. 7, place Vauban. Tel.: 47.05.52.67.

PARIS 15th

LE WESTERN
The only restaurant with specially imported beef from the U.S. Business lunch F.F. 210, wine included. Open daily. T.: 42.73.92.00.
Paris Hilton, 18, Ave. de Suffren.

LE TAGORE
The new Parisian Indian restaurant, Mughlai specialties, surely one of the best among the foreign restaurants in France, two "Toques" in the Gault et Millau 1990. 25, Ave. du Maine. Tel.: 45.44.94.41.

PARIS 17th

CHEZ FRED
Lyonnais bistro, traditional French cooking. Daily specialties. Closed Sundays, 190 bis, bld. Pereire, 75017 Paris. Tel.: 45.74.20.48.

LE TERNES-PEREIRE
Close to Porte-Maillot and the Palais des Congrès. Restaurant/Brasserie, continual service from noon to midnight. Shellfish, fish-tank, open all year. 84 av. des Ternes, 75017 Paris. Tel.: 45.74.33.35.

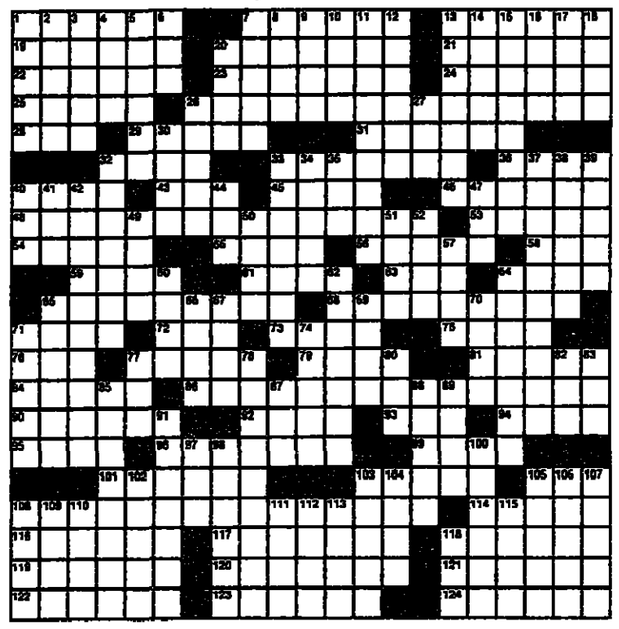
ROME

DA MEO PATACCA
Trastevere. Rest. famous for fun food, music & folklore. 00153 Rome, Piazza de Mercanti 30. Tel.: 06-5816198, 5892193. Fax: 582252.

VIENNA

KERVANSARAY
Turkish & Int'l specialties, lobster bar, best seafood restaurant, 1st floor. Mahlerstr. 9. Tel.: 5128843. Air conditioned. 80 m. Opera. Noon-3 p.m. & 6 p.m.-1 a.m., except Sunday. Open holidays.

Ever Hear Of... By Walter Covell

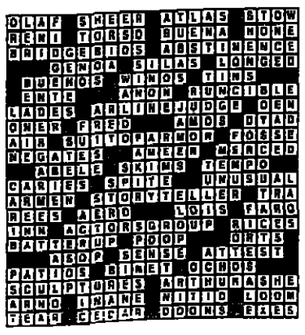


© New York Times, edited by Eugene Maleska.

ACROSS
1 . . . "THE PALLID PROF" by J. B. Poquelin?
7 Men, e.g.
13 Seasoning herbs
19 An ointment
20 Of the moon
21 Ancient marketplaces
22 . . . "RIGHT? RIGHT!" by A. Loos?
23 Slender and sharp
24 Expand
25 Paradigm
26 . . . "GRAND IMAGES" by H. Gardner?
28 "The law is a ——": Dickens
29 Occupied
31 Convert into cash
32 Got a hole-in-one
33 Newspaper-publishing family
36 Port of Scotland
40 Year or frog preceder
43 Islet
45 Pronoun for the Andrea Doria
46 Medicinal root
48 . . . "O'ER THE LENT HERB" by P. Osborn?
53 Nicholas II & Ivan IV
54 World-weary
55 Lotion ingredient
58 Jockey's garb
58 Milieu for Levine
59 Effort
61 Blockheads, in Brest
63 Pasture
64 Cries of disgust
65 . . . "AVE, SALVADOR" by M. Stewart & J. Herman?
68 . . . "SAGAN'S STARS" by A. Miller?
71 Identical
72 —— de plume
73 Hollow out
75 Cather's "One of ——"
76 Uncle in 36 Across
77 Organizational regulation
79 Generator's power output
81 Observant one
84 Bamboo lover of China
86 . . . "MOLDING MOLD" by E. Williams?
90 Harmonize
92 Norse poem
93 Mythical piper
94 Parts of joules
95 "More matter with —— art": Shak.
96 Did some sowing
99 Fixations
101 Steal
102 F's forerunners
105 Job of TV's Teddy Z.
108 . . . "HOSTESS TO THE IMPECUNIOUS" by J. Gay?
114 Jockey, at times
116 Dwell
117 Frame braces
118 Plant also called germander
119 Ballerina McKerrow
120 Reference works
121 French ordnance
122 Book of prayers
123 Blush
124 Least forthright

DOWN
1 System of tenets
2 Spreads
3 Sleep, food, etc.
4 Carry on
5 Imperfective, as a verb
6 Maiden-name preceder
7 —— -de-mer (trepang)
8 Former Congolese prime minister
9 City on the Wabash
10 He lived 905 years
11 Upsets
12 Tantrums in public
13 Misfortune, in Hibernia
14 Spry
15 Guadalcanal, Malaita et al.
16 New Persia
17 Lasting into the wee hours
18 Homophone for seize
20 Col. entrance exams
26 TV sound signal
27 Insecticide in disrepute
30 Niggardly
32 Asch's "The ——"
33 Pleasurable
34 A Lauder
35 Bat wood
37 Dorset town
38 Matches
39 Family of a memorable cartoonist
40 Lugworm
41 Signed up, as a G.I.
42 Humiliations
44 "The —— Dogs," Burns poem
47 French connections
49 Actual
50 Israeli airline
51 Stir until foamy
52 Grade sch.
57 Land a haymaker
60 Like a skeleton
62 Relished
64 Public uproars in England
65 Hooked at the tip
66 Numskull
67 Oriental nurse
69 Scraggy
70 Intoned
71 Calyx segment
74 Byrd book
77 Interdict
78 Mineral resembling feldspar
80 Skinny follower
82 Brain specialist's rec.
83 T.L.C. givers
85 Trash-cans-on-Thames
87 Collegian's prerogative
88 Tricky drawback
89 Actress Markey
91 Living near the ground, as insects
97 Part of a journey
98 Human incarnation of a deity
100 Breakfast food
102 Hopper of Hollywood
103 Shakespearean forest
104 Food fish
105 Southwestern porridge
106 Chromosome constituents
107 Lovers' date
108 Trombone, to a jazzman
109 Half: Prefix
110 Those ñ/ñas
111 Rarely, old style
112 Toward the mouth
113 Raise a question
115 Gudrun's victim
118 Airgun ammo

Solution to Last Week's Puzzle



ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
341 Broadway, Ste 1000, NYC 10023
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

AT YOUR SERVICE
VIP ESCORT AGENCY LONDON
American Express Accepted
581 2811, 9AM-MIDNIGHT

ZURICH SUSAN
Tel. 01/382 05 80

INTERNATIONAL CLASSIFIED
(Continued From Back Page)

ESCORTS & GUIDES

MERCEDES
VIP ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON (071) 351 6666

ULTIMATE '10'
212-688-1741
NEW YORK ESCORT SERVICE

ORIENT JAPANESE CHINESE THAI
Escort service. Days and evenings.

ESCORTS & GUIDES

THE ZOE PARTNERSHIP
Escort Service NOW IN LONDON
Europe's most sophisticated escort agency has arrived.
071 221 8455
Credit cards now accepted

GENEVA * MELODIE
ESCORT SERVICE. Tel 022/46 11 58

ZURICH
Caroline Escort Service 01/252 6174

ESCORTS & GUIDES

TOKYO "FIRST CLASS" ESCORT SERVICE MEMBERSHIP
TEL. 351-2278

ZEBRA ESCORT SERVICE
Escorts for all occasions.
Tel: London 081 - 741 - 2489.

* LONDON PARIS EXCLUSIVE LINK *
Anne + Claire French VIP Escort Service. London (071) 351-1152

DUESSELDORF - COLOGNE + AREA
First Class Escort Service. Tel: 0211/ 3982764 or 0161/2214379

LONDON
VIP Escort Service
Tel 071 266 4090 - 24 hours

BRUSSELS. CATHY Escort Service. Tel: (02) 734-1586 or (02) 733-3321 or (010) 867156. Credit cards accepted.

LONDON LACE ESCORT SERVICE
Malaysians, Chinese, Thai.
London 071 [illegible] - 24 hours

ESCORTS & GUIDES

FRANKFURT - NEW EVA'S ESCORT AND TRAVEL SERVICE. Tel: 069 / 597 66 66 - (seven days).

FRANKFURT - "TOP TEN" ESCORT SERVICE. Tel: 069/ 55 88 26. THE BEST IN TOWN. Daily from 2pm.

* * * MUNICH * * * 91 23 14
ESCORT & GUIDE AGENCY. THE FRIENDLY SERVICE.

AMSTERDAM BERNADETTE ESCORT Service. Number One. Telephone: (0) 20-34 27 82

***** FRANKFURT *****
Princess Escort Service, 7 days. Tel: 069 / 666 25 64.

LONDON - PARIS UNION
French Escort Agency, 24 hours a day, 7 days a week, London 071 3860214.

APRIL'S HIGH CLASS ESCORT service. London. Tel 0831 392224 071 402 2557.

ATHENS EXECUTIVE ESCORT AND Guide Service. 7 days a week, English spoken. Tel: 7230572 Athens

ZURICH AMANDA AGENCY
Highest Guide Service. Tel: ZURICH 383.06.55.

FACE-OFF IN THE GULF: Western allies pledge more support while Iraq hedges on captives

Baker Urges NATO To Adapt to Threat From New Quarters

By William Drozdiak and David Hoffman
Washington Post Service

BRUSSELS — NATO foreign ministers responded Friday to an appeal from the United States to confront Iraqi aggression in the Gulf by pledging to strengthen their collective security obligations, but only under the auspices of their national military commands.

Warning that "if might is to make right, then the world could be plunged into a new dark age," the U.S. secretary of state, James A. Baker 3d, urged the ministers to adapt the alliance to a threat beyond its traditional East-West theater. "A new danger has arisen, coming from a distant place but with the capacity to strike all of us," he said.

Mr. Baker urged allied nations to contribute forces in order to make a multinational force being assembled to defend Saudi Arabia "as broad as possible." He said that an international naval blockade was "certainly a possibility," but added that United Nations sanctions should first be given time to work.

After several hours of meetings at North Atlantic Treaty Organization headquarters here, the NATO secretary-general, Manfred Wörner, said that a "full consensus" had been reached among the allies about the need to meet the challenge posed by President Saddam Hussein of Iraq to their "national and collective security."

The alliance, he said, was demanding the complete withdrawal of Iraqi forces and restoration of Kuwait's sovereignty.

Mr. Wörner also declared that the 16 NATO states had strongly reaffirmed their commitment to defend Turkey if it was attacked by Iraq, under terms of the NATO treaty that defines an attack on one member as an attack on the entire alliance.

A new source of concern for the NATO ministers was the fate of thousands of foreign nationals trapped in Iraq and in occupied Kuwait following the closing of Iraq's borders.

Mr. Baker said that the United States did not consider the trapped Americans to be hostages, although they are being held against their will. He said that talks with Baghdad were continuing about the status of the foreigners in Iraq and Kuwait, and that so far it appeared they had not been mistreated.

Foreign Minister Gianni di Michelis of Italy, who chaired a separate session earlier Friday of the 12 European Community foreign ministers, said that Iraq's annexation of Kuwait and the announced removal of diplomatic missions there had been unanimously rejected.

He said that the Europeans would insist on keeping their embassies in Kuwait to monitor the fate of their nationals there and also to avoid giving any sense of recognition to the Iraqi occupation.

Several ministers stressed the need to provide time for the UN sanctions to take effect by depriving Iraq of any trade with outside world.

The Europeans seemed intent on tempering the impact of the U.S. military buildup now occurring in Saudi Arabia in order to pull the region back from the brink of military confrontation. They expressed support for the continuing effort by Arab nations to resolve the crisis, but there was little expectation that it would succeed.

The allies showed clear reluctance about consenting to putting their forces in the Gulf under any single authority.

Mr. Baker acknowledged if there is a naval blockade, "there will have to be a traffic cop." But he said the question of how the military forces would be coordinated, either in a blockade or in the multinational force being formed in Saudi Arabia, had been discussed but was not yet resolved.

Some U.S. officials had expressed hope before the meeting that the NATO ministers would agree on a formal communiqué spelling out their commitment to a more global scope for alliance responsibilities in the wake of Iraq's invasion of Kuwait. But no joint statement was released, only a summary of the ministers' conclusions by the secretary-general.

The hesitation shown by the allies to place forces under a joint command, presumably with U.S. leadership, reflected a growing concern in Europe that the conflict in the Gulf could become a protracted one if Iraqi occupation forces consolidate their hold on Kuwait and avoid further aggression that could trigger a massive military retaliation by Western-backed forces.

Still, European states are clearly aware that their dependence on Gulf oil supplies, which is much greater than that of the United States, requires a firm stand in defense of their national interests and their ambition to assume more responsibility for their own security.

This view was evident in Mr. Wörner's assessment of the meeting's outcome, in which he hailed the full consensus of support for the U.S. initiative but added that the allies had agreed to work "each in their own way" to enforce the sanctions against Iraq.

Reuters

Mr. Baker, left, talking with Foreign Minister Genscher of West Germany on Friday before the start of the NATO meeting in Brussels.

Iraq Denies Having Foreign 'Hostages'

Tariq Aziz Declares that Westerners Are Being Held on 'Technical' Matter

Compiled by Our Staff From Dispatches

CAIRO — Foreign Minister Tariq Aziz of Iraq denied Friday that the Westerners being held in Baghdad hotels could be described as hostages.

"Hostages do not stay at hotels, drink beer and enjoy their lives," Mr. Aziz told U.S. reporters here.

Mr. Aziz, attending an emergency Arab summit conference to discuss Iraq's invasion of Kuwait last week, said foreigners were being kept in Iraq for technical reasons. He did not elaborate.

His comments came a day after U.S. officials said Iraq had informed them that thousands of Americans and other foreigners stranded in Iraq and Kuwait since last week may not depart.

The explicit Iraqi notification Thursday removed lingering hopes that the foreigners might be able to leave and it raised fears that the Iraqi president, Saddam Hussein, intended to use the foreigners as a shield against U.S. military retaliation, or as a diplomatic bargaining chip. The Iraqis apparently have not yet made any demands in return for release of the foreigners.

Hundreds of thousands of foreigners, from Western business executives to Philippine maids, are stuck in Kuwait and Iraq as potential pawns in the Gulf crisis.

On Friday, 11 American diplomats and dependents were turned back again at the Iraqi border with Jordan in their second attempt to leave the country, State Department officials said in Washington.

The U.S. Embassy in Baghdad had been told the 11 would be allowed through, but for the second consecutive day the 11 were not permitted across the frontier.

Officials said they would try again as a test of Iraqi intentions.

Marlin Fitzwater, the White House spokesman, said diplomatic efforts to win the freedom of the Americans included discussions with the Iraqis. "We are told they are being treated decently," Mr. Fitzwater said, referring to the Americans.

There are about 3,000 U.S. nationals in Kuwait, working mainly as petroleum engineers and executives.

Another 580 are believed to be in Iraq — 38 of them are under armed guard at the Rasheed Hotel in Baghdad.

In Brussels, Secretary of State James A. Baker 3d said after a NATO meeting that the United States was "very disturbed" that foreign citizens were not being allowed to leave Iraq and Kuwait.

"We are not calling them hostages because discussions are ongoing, even as we speak here this afternoon, about obtaining permission for them to leave," Mr. Baker said.

President Bush, too, made a point Friday of not calling the Americans in the two countries hostages, saying, "I'm not going to invite further harassment by elevating the value of any citizen."

Asked if the United States was helpless in the situation, he replied, "We're not helpless, no. But, as we've seen with hostage situations, and I don't think this is one, sometimes it's very difficult."

Another official said that if the government calls the Americans hostages, that would make it more difficult for Mr. Hussein to release them unconditionally. Normally, a hostage is a person who is kept prisoner until certain conditions are met.

Officials are acutely aware of the damage that hostage crises inflicted on the administrations of Presidents Jimmy Carter and Ronald Reagan.

Iran's 444-day confinement of 52 American hostages contributed to President Carter's election defeat in 1980, and President Reagan's effort to help free American hostages in Lebanon led to the Iran-Contra scandal.

Also in Brussels on Friday, European Community foreign ministers said that EC members would not remove their diplomatic missions from Kuwait as demanded by Iraq.

Iraq, which invaded Kuwait on August 2 and later annexed it, has given countries with diplomatic missions in the Gulf state until August 24 to move them to Baghdad.

The State Department described an unsettled, violent scene on the streets of Kuwait under Iraqi occupation on Friday, and voiced concern about reports of attacks on foreigners.

"There are some reports of looting and attacks on foreigners by Iraqi soldiers, although we can't as yet discern any pattern which would target Westerners," said Richard Boucher, deputy State Department spokesman.

"We are concerned about growing numbers of reports of violence by Iraqi troops against other Muslims living in Kuwait," Mr. Boucher said at a news briefing.

"This kind of behavior by Iraqi forces certainly gives the lie to Iraqi claims about the supposed unity of Kuwaiti and Iraqi peoples," he said.

(NYT, UPI, Reuters, AP)

PLO Force Ready to Join Iraq

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Thousands of Palestine Liberation Organization fighters based in Iraq have been mobilized for combat alongside Iraqi forces in a possible confrontation with U.S. troops now deployed in Saudi Arabia, according to PLO sources.

The sources said that the mobilization order had been issued by Yasser Arafat, the PLO chairman, under pressure from President Saddam Hussein of Iraq. They said that two Palestinian battalions were already with Iraqi troops near the border with Saudi Arabia.

The Iraqis are also recruiting Palestinian guerrilla hard-liners for terrorist attacks against American and other Western targets abroad in the event that the military standoff now prevailing in the Gulf area over the Iraqi invasion of Kuwait turns into a shooting war, according to Arab diplomats.

In Lebanon, where more than 10,000 guerrillas are entrenched, the Palestinian sentiment is largely in favor of the Iraqi president.

Persistent reports in Beirut and other Middle Eastern capitals in the past week said that the terrorist leader Abu Nidal had returned to Iraq after healing a seven-year rift with the regime of Mr. Hussein. Abu Nidal, whose real name is Sabri Banna, had been residing in Libya since his falling out in 1983 with the Baghdad government.

That year, the Iraqi authorities, seeking to improve relations with the United States and gain Western support in its war with Iran, expelled Abu Nidal and closed down his operation in Iraq. Washington subsequently removed Iraq from the list of countries sponsoring or encouraging state terrorism.

Arab radios monitored in Beirut quoted reports from the Jordanian capital of Amman that Abu Nidal had ordered his fighters in Libya to go to Yemen to stand by to provide Iraqi troops with assistance in the event of fighting with U.S. forces in Saudi Arabia.

The radios quoted sources in Abu Nidal's faction, known as the Fatah Revolutionary Council, as saying that these guerrillas would be ready to carry out suicide attacks against the Americans.

Another hard-line guerrilla leader has threatened to strike at U.S. interests over the American military buildup in the Gulf. "We shall strike at American and imperialist interests immediately after any foreign soldier sets foot on Arab land," Abu Abbas said in a statement carried in state-run Iraqi newspapers and quoted by Baghdad Radio.

Abu Abbas, whose Palestine Liberation Front mounted May's abortive raid on Tel Aviv beaches, appealed to "all revolutionary and progressive forces in the Arab homeland to shoulder their national duty of confronting the American invaders."

The Front's raid prompted the administration of President George Bush to break an 18-month-old dialogue with the PLO after Mr. Arafat had refused to voice outright condemnation of six groups making up the PLO.

Only One Name
Brings You Complete
Daily Coverage
Of World Events
All Rolled-Up In One
Outstanding News Source.

Herald Tribune

Subscribe today and enjoy the best international daily news coverage at a savings of up to 50% off the newsstand price.

Country/Currency		12 months + 52 ISSUES	ONE-YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	5,100	3,272	2,800
— hand delivery Vienna	A.Sch.	5,400	2,972	3,000
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	3,100	1,288	1,700
Finland	F.M.	2,000	1,376	1,100
France	F.F.	1,600	1,312	880
Germany (mail)	D.M.	600	419	330
— *hand delivery	D.M.	758	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	39,800	18,000
— hand delivery Athens	Dr.	41,000	31,800	23,000
Ireland	IR.	155	118	85
Italy	Lire	420,000	380,800	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,250	2,118	1,200
— **hand delivery	N.Kr.	2,700	1,668	1,480
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	35,000	25,060	19,200
— ***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	22,060	20,900
— ***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
— **hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	446	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

* For information concerning special hand-delivery in major German cities call IHT Germany at: (069) 69.48.92 or fax (069) 69.48.94. Rates do not include free issues.
** At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Goteborg and Malmo.
*** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and Valencia and the next day in Bilbao. For Madrid, hand-delivery is available by morning, but without the free issues.

YES, I want one outstanding daily news source.
This is the IHT subscription term I prefer (check appropriate boxes):
☐ 12 Months (364 issues in all with 52 bonus issues). ☐ 6 Months (182 issues in all with 26 bonus issues).
☐ My check is enclosed (payable to the IHT).
☐ Please charge my credit card account
☐ American Express ☐ Diners Club ☐ VISA ☐ MasterCard
CARD ACCT. NO. _____
EXPIRY DATE _____ SIGNATURE _____
NAME _____
ADDRESS _____
CITY/CODE _____
COUNTRY _____
TEL. _____ FAX _____ 11-8-90
Return your coupon to: Subscription Manager, IHT, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.
This offer expires December 31, 1990, and is available to new subscribers only.

Le Pen Backs Iraq Conquest Of Kuwait

Reuters

PARIS — The extreme rightist French politician Jean-Marie Le Pen voiced support Friday for Iraq's conquest of Kuwait.

"Kuwait is regarded by Iraq as an internal affair," Mr. Le Pen, the leader of the National Front, said on television. "We are dealing with a country that is very artificial and a matter that concerns the Arabs in the first instance."

Mr. Le Pen denounced President François Mitterrand's decision to send a naval task force to the Gulf as an "ill-considered adventure."

He said that France should adopt the role of mediator rather than following the United States and Britain in sending large military forces to the Gulf.

LESSONS: *Games Showed Flaws*

(Continued from page 1)

said James Predham, of the Army Matériel Command, describing the service's recent war game scenario. "But it was an accident actually."

Mr. Predham's organization, which drafts recommendations on weapons and equipment for future wars, discovered some scenarios for which military strategists could find no solutions, illustrating the political, economic and military difficulties of military actions in the Middle East.

In the exercise, "Red Team" Arab forces seized a neighbor nation's valuable oil terminal, but eventually offered to relinquish the facilities to the American-led "Blue Team." The Red Team commander's order that the last soldiers out of the terminal area blow it up proved a paralyzing caveat. Blue Team commanders could not agree on how to respond and the exercise dissolved into lively disagreements with no solution. Winner and loser went undetermined.

The desert war-fighting scenario in the Middle East "presents real technical difficulties," said Marian Singleton, an Army Matériel Command spokeswoman.

"The deployment all by itself is very, very difficult," Mr. Predham said. "You're doing a 12,000-mile commute moving heavy forces into that area."

Mr. Predham said that war-game participants preparing for the year 2015 scenario now believe that the Defense Department will not be able to get troops to the region by sea any faster then than the several weeks necessary for the current deployment to Saudi Arabia.

Mr. Predham, echoing the anxieties of current commanders, said the war game revealed that it took 30 to 45 days to get enough ground troops to the region to combat the 40,000 enemy troops in the scenario's Kuwait-equivalent nation, with an additional 150,000 troops on the border.

The army war-game participants said that weapons and equipment now used by military forces are too large and bulky to be well-suited to the kind of long-distance deployment now under way. They recommend developing lighter, more lethal hand-held weapons for troops.

In the games played out last April at the offices of Bethesda, Maryland, defense consultants and in June at Fort Leavenworth, Kansas, one commander came up with the idea for a small, high-precision cruise missile that became an important weapon for U.S. forces in the exercise.

In one battle scenario, enemy troops disperse chemical weapons, a current concern of American commanders wary of an Iraqi Army that has previously used chemical weapons.

"We concluded that operating in chemical gear for any substantial length of time was really debilitating," Mr. Predham said.

The researchers said that the hot, bulky suits now used to protect troops from chemical vapors should be replaced by lighter "exoskeleton" suits that include some type of air conditioning apparatus.

The army also is experimenting with antitoxins and other medicines that could be used to combat the effects of the chemicals, efforts the war-game participants encouraged.

The navy scenario bore an even more uncanny resemblance to the current situation, but took the final provocative step of sending Iraqi troops over the Kuwait border into Saudi Arabia.

The scenario revealed major "operational problems" in resupplying ground troops and said the frequent refueling required by carrier-based aircraft with relatively short flying ranges would present continuing problems.

Bush, No Captive, Heads for Shore

New York Times Service

KENNEBUNKPORT, Maine — Noting that he keeps a telephone in his golf cart and in his speedboat, President George Bush defended on Friday his decision to go on vacation only three days after sending American troops to the Middle East.

"Word of honor, we're with it," the president said, in an attempt to reassure the American people that he is surrounded by enough "highly complex and highly efficient communications" to keep track of the volatile situation in the Gulf and the specter of chemical warfare involving American forces.

President Bush is "disturbed," according to top aides, that his vacation activities might send a signal of frivolity at a time when he has committed a significant military contingent to protecting Sandi Arabia from a possible invasion by Iraq.

But President Bush is equally determined, as he put it, not "to appear to be held hostage in the White House to events." This was an allusion to former President Jimmy Carter, who was seen as becoming a hostage himself when he holed up in the White House during the Iran hostage crisis.

As his plane landed here, Mr. Bush told the traveling press corps to "get a little relaxation." Asked what he would do on this misty, cool Maine day, the president replied: "Might go fishing, test the communications. Tee it up. Do something. Not going to sit idly by."

GAS: *Iraq's Quick-Trigger Tactics*

(Continued from page 1)

vorable odds late in a battle to employ such weapons, which are condemned by much of the world as terrifying and barbaric. This hesitation appeared to dissipate as the war drew to a close, raising the possibility that Iraq might be willing to use poison gas in the early stages of any future combat.

George Crist, a retired general who was commander of U.S. forces in the Gulf from 1985 to 1989, said of President Saddam Hussein of Iraq: "In every major offensive of the last year of the war, he preceded his attacks with chemical weapons. He's skillful at using them. They do it very much by the book. We certainly can expect chemical warfare from him."

U.S. experts said there was no conclusive explanation for Iraq's apparent change of tactics. But their speculation is that Baghdad decided after at least five years of experience that poison gas could be used effectively to demoralize a poorly equipped enemy or simply that it had little to fear in the way of sanctions or penalties from the rest of the world.

"Chemical weapons are now integral to the way that Iraqi forces operate," said a military expert who has received briefings on the Iraqi program. When Baghdad saw that there was no reaction, "that the world didn't care much about dead Iranians," he said, "it used the poison gases more and more."

Only after Iraq used the gases in August 1988 to kill hundreds of Kurds, a rebellious minority within its territory, did worldwide revulsion become pronounced.

Still, the Reagan administration largely opposed congressional efforts to enact mandatory trade sanctions against Iraq and any other nation that used chemical weapons.

Much of the information about Iraq's chemical arsenal is derived from United Nations investigations begun at Iran's request in March 1984. The investigators examined fragments of bomb, artillery and rocket casings collected from battlefields and interviewed Iranian victims.

Their reports played a key role in refuting the denials by Baghdad's senior officials, before 1988, that poison gases had been used in the war.

By the end of the war, according to several U.S. experts, Iraq's leaders had evidently granted lower-echelon military leaders authority to use chemical weapons whenever they wanted.

BUSH: *Hostilities 'Not Imminent'*

(Continued from page 1)

that "Iraq has massed an enormous and sophisticated war machine on the Kuwaiti-Saudi Arabian border and in southern Iraq, capable of initiating further hostilities with little or no additional preparation.

"Iraq's actions pose a direct threat to neighboring countries and to vital U.S. interests in the Persian Gulf region," he said.

Initial deployment, the president said, involved two squadrons of F-15 jet fighters, a brigade of the 82nd Airborne Division and other elements, which began arriving in Saudi Arabia on Wednesday.

"It is my belief that this deployment will facilitate a peaceful resolution of the crisis," Mr. Bush said. "If necessary, however, the forces are fully prepared to defend themselves."

In informing Congress of imposition of further sanctions, Mr. Bush noted the unanimous Security Council vote Monday to require all UN members to impose "sweeping sanctions against both Iraq and Kuwait." The additional U.S. sanctions, he said, were imposed to conform to that resolution.

The new sanctions bar transfer of funds by any U.S. person to the Iraqi government or to any person in Iraq. Additionally, the sanctions prohibit exports and imports between the U.S. and Iraq and Kuwait as well as any dealing by a U.S. person in Iraqi property exported from Iraq after Aug. 6.

ARABS: *A Force for Saudis*

(Continued from page 1)

counterpart, Tariq Aziz, during a break in a foreign ministers' meeting separate from the summit session.

The resolution agreeing to send Arab troops to Saudi Arabia was an abrupt turnabout for Mr. Mubarak. On Wednesday, he called for the formation of a pan-Arab security force to go to Kuwait to supervise the withdrawal of Iraqi troops if a peace plan is negotiated, but he also said he would not send the Egyptian Army to Saudi Arabia to back U.S. and Saudi forces.

"I'm not going to help foreign troops, but I will help Arab troops," Mr. Mubarak said in his speech Wednesday.

Throughout the week, senior Egyptian officials have repeatedly said Egypt was adamently opposed to sending its troops to Saudia Arabia and risk being branded in the Arab world as a collaborator in a foreign imperialist military adventure.

Summit sources said the decision to make public the Egyptian draft resolution supporting a multinational Arab force in Saudi Arabia and other Gulf states was made in response to President Hussein's call for a holy war against foreign troops and what he called "corrupt" Arab leaders who opened the doors to U.S. military intervention.

Conservative Arab delegates appeared to be shaken by Saddam's vituperative address.

■ Breakdown of Vote

Twelve Arab states voted to send Arab forces to the Gulf to protect Saudi Arabia and its neighbors against foreign aggression, Reuters reported from Cairo.

The Cairo summit meeting also called for a immediate and complete Iraqi withdrawal from Kuwait, which Baghdad invaded on Aug. 2.

Those voting in favor were Saudi Arabia, Egypt, Syria, Bahrain, Qatar, Oman, the United Arab Emirates, Kuwait, Morocco, Somalia, Djibouti and Lebanon.

Iraq, Libya and the PLO voted against the resolution while Algeria and Yemen abstained. Jordan, Sudan and Mauritania expressed reservations.

Indonesia to Halt Trade With Iraq

Reuters

JAKARTA — Indonesia, which has refrained from condemning Iraq's invasion of Kuwait, will suspend trade with Baghdad to conform with United Nations sanctions, Energy Minister Ginanjar Kartasasmita said Friday.

Indonesia's main import in its $426 million two-way trade with Iraq is crude oil. Although Indonesia is a member of the Organization of Petroleum Exporting Countries, its crude is unsuitable for refining into lubricants and it buys 30,000 barrels a day from Iraq.

DEPLOY: *Warning Iraq on Oil Shipping, Bush Says 'We Are Prepared'*

(Continued from page 1)

wa in East Asia. The American deployment, which has been given the code name Desert Shield, is the largest by the United States since the war in Vietnam.

"We're in this for the long haul," said an administration official. "It's certainly a matter of months, it could go a year, could go a year and a half. It's not incooceivable."

The prospective blockade would include French and British ships and those of other nations with naval detachments in the region.

In fact, the mere proclamation of a blockade might do the job, because captains of merchant ships are reluctant to risk seizure of their ships or cargo.

An impressive naval armada is forming in the Gulf region. Warships from the United States and Britain are in the area, and others are being sent by France and Australia.

In Australia, Prime Minister Bob Hawke announced that he was sending three ships — two guided-missile frigates, the Adelaide and the Darwin, and the oiler Success.

West Germany said it would send ships to the eastern Mediterranean, and Italy, Canada and Belgium said they would make announcements in the next few days.

Canada will contribute two destroyers and a supply ship to the multinational force, Prime Minister Brian Mulroney said.

"The international community must do everything possible to ensure respect to the international rule of law," he said at a news conference.

The United States has about 35 ships in the region, including two aircraft carriers — the Eisenhower in the Red Sea, off the west coast of Saudi Arabia, where an Iraqi oil pipeline ends, and the Independence in the northern Arabian Sea, near the mouth of the Gulf.

As part of that flotilla nine U.S. warships, mostly frigates and cruisers, are inside the Gulf, led by the command ship of the Joint Task Force-Middle East, the LaSalle.

A third aircraft carrier battle group, led by the Saratoga, is en route to the Mediterranean.

Britain said it was sending three mine-hunting vessels to the Gulf to join the destroyer York, the frigates Jupiter and Battle-Axe and the support vessel Orangeleaf.

The first British fighter aircraft arrived in the Gulf late Thursday, an informed British source said in Dubai.

France is sending nearly 3,500 men on board seven warships led by the aircraft carrier Clemenceau, the second largest Western military force dispatched to the region.

The Clemenceau will carry at least 30 combat and troop-transporting helicopters. Jet fighters will also be aboard.

In Washington, Representative Les Aspin, a Wisconsin Democrat who heads the House Armed Services Committee, called for European nations to send ground troops to Saudi Arabia to forestall inevitable complaints by the American public if the operation dragged on and U.S. troops were still facing the Iraqis alone.

"This is the ball game," he said. "On a scale of 1 to 10, with 10 as total disaster, no Arab ground troops means a 9, and no ground troops from anyone but us and the Saudis means about a 12."

(UPI, AP, Reuters, NYT)

FACE-OFF IN THE GULF: The U.S. has a new bond with Turkey and a new regard for spy satellites

Turkey to Expand Cooperation With U.S., Official Says

By Thomas L. Friedman
New York Times Service

BRUSSELS — The United States and Turkey have laid the basis for expanded military and intelligence cooperation to counter President Saddam Hussein of Iraq, a Bush administration official said.

The tacit understanding was reached Thursday in five hours of talks in Ankara between the U.S. secretary of state, James A. Baker 3d, and President Turgut Ozal and other senior Turkish officials.

The administration official declined to specify the exact form the expanded cooperation might take, but he hinted that it could almost certainly involve Turkey's granting the United States permission to use the fighter aircraft and bombers it has based in Turkey, ostensibly on NATO-related missions, for any potential war in the Gulf.

In recent weeks the United States has been rotating 14-plane squadrons of F-111 aircraft from bases in England to Incirlik Air Base in Turkey, where 5,000 American servicemen and dependents are stationed.

Since the planes are supposedly on routine North Atlantic Treaty Organization missions, to use them against Iraqi targets, just as the United States used them to bomb Libya in 1986, would require Turkey's permission.

"In the event that there were to be full-scale hostilities, I am quite confident that we could count upon our allies the Turks," the administration official said after the talks. "I think it would be useful in judging Turkish moods and intentions to watch what happens with respect to what they may be doing in the next couple of weeks."

The Turks have so far confined their response to the Iraqi invasion of Kuwait to economic sanctions — cutting off the Iraqi oil pipeline that crosses Turkish territory and abiding by the United Nations boycott. Antagonizing Iraq by raising their stake in the conflict to a military level is not something the Turks would do lightly.

U.S. officials would only speak in terms of tacit understandings because the precise extent of expanded cooperation between the two nations will depend in part on the degree to which the NATO foreign ministers at their meeting in Brussels on Friday signal their willingness to stand by Turkey if Iraq attacks it. Mr. Baker flew to Brussels for that meeting from Ankara.

The administration official said that Mr. Baker and Mr. Ozal had also discussed how their two nations could intensify intelligence cooperation to improve gathering of data about internal developments in the tightly sealed Iraqi state, Turkey's neighbor to the east.

While the official did not say so, Iraq's long and porous border with Turkey could be useful in infiltrating men, money or materiel to destabilize the Iraqi government.

If Turkey does add its military weight to the tightening siege of Iraq, it would mean that in case of a war with Iraq, the United States would probably have access to U.S. military installations, air bases, warehouses and intelligence-gathering units across Turkey.

It would also leave Iraq virtually surrounded by hostile neighbors — with American, British and Saudi troops to the south, American and Turkish forces to the north, Iranian troops to the east and Syrian troops to the west. The only safe border is with Jordan.

The official indicated that in return for Turkey's forthright military cooperation, the U.S. administration is prepared to help ease the economic burden on Turkey of virtually cutting ties with Baghdad.

Turkish officials told Mr. Baker that they would have to forfeit $400 million in revenues that they derived from the Iraqi oil pipeline. They will probably have to forfeit $800 million from an outstanding loan to Baghdad, and they will most likely end up losing another $1.5 billion a year in sales contracts with Iraq, investments and remittances from the 3,000 Turkish workers in Iraq and Kuwait.

Mr. Baker, the official said, told Mr. Ozal that Washington had won a commitment from the emir of Kuwait, Sheikh Jabar al Ahmad al Sabah, to compensate the Turks with an undisclosed sum of money.

In addition, the official said, the administration will push Turkey's application for membership in the European Community, support Turkey's loan requests pending before various multilateral banking institutions, support Export-Import bank loan guarantees for sales of certain heavy equipment to Turkey, and possibly also increase military aid to Ankara.

Tracking Iraq's Every Move: Eavesdropping From Heaven

By George Lardner Jr.
Washington Post Service

WASHINGTON — From teams of eavesdroppers scattered throughout the Middle East to spy satellites that can identify a Soviet-made T-72 tank from several hundred miles away, U.S. intelligence agencies have an unsleeping circle of assets and alliances to keep watch on the crisis in the Gulf.

They detected sudden activation of a long-distance radar system in southern Iraq four days before the invasion of Kuwait, tracked the increasing flow of troops and supplies toward the border and, U.S. officials say, enabled the Central Intelligence Agency to predict the attack — though not the exact time and date — before it took place.

"There were no surprises," said Joseph DeTrani, the CIA spokesman.

Mr. DeTrani would not discuss the assets the U.S. intelligence community is relying on in the tense region, but experts say the KH-11 and advanced KH-11 photo-reconnaissance satellites and the Lacrosse all-weather imaging radar satellite are almost certainly the most productive.

President Saddam Hussein of Iraq "would have a very hard time making a move without our seeing it," said John Pike, director of the Federation of American Scientists' Space Policy Project. "We've got a lot of stuff up there. What this translates into is fresh pictures every few hours."

The images are processed by the CIA's National Photo Interpretation Center at the Washington Navy Yard and then quickly distributed to analysts throughout the government.

"You can call up the KH-11 and when it gets to the target area, you can get a photo and have it back down here, printed out, in an hour, and have it over to the White House," one person familiar with the system told author James Bamford several years ago.

Mr. Hussein and his puppet government in Kuwait will also have to be careful about what they say, according to another source.

In addition to signals intelligence (SIGINT) satellites that intercept communications for the National Security Agency, the source said, special listening posts are operated by NSA-CIA teams at several diplomatic facilities in the Middle East.

Up above, 22,000 miles (35,200 kilometers) over the equator, lurk SIGINT satellites such as Vortex and Magnum, picking up communications and telemetry signals such as radar.

These usually are focused on the Soviet Union and China, said Jeffrey T. Richelson, an expert on U.S. intelligence, but their antennas can be redirected to the Middle East on orders from the SIGINT committee here.

"I'd say there are at least two — one Magnum and one Vortex — that are in a position to intercept from that area of the world," Mr. Richelson said. Mr. Pike said these could aid in "trying to figure out which command posts Saddam Hussein is currently using."

Twice as heavy as the Vortex, the Magnum has bigger antennas that can pick up weaker signals and monitor local traffic, such as radio communications among tank commanders.

"The Magnum can monitor transmissions that are in Kuwait and differentiate between those transmissions and other transmissions halfway between Kuwait and Baghdad," Mr. Pike said. "Whereas the Vortex would be monitoring all transmissions on that frequency in all of Iraq and Kuwait put together. It couldn't tell where the tanks are."

Both satellites can pick up any broadcasts, including those from car phones. One of these, or possibly a low Earth-orbiting "ferret" satellite, may have picked up signals from the Soviet-built air-defense radar system in southern Iraq that, according to Aviation Week magazine, was suddenly detected in operation on July 29 after months of inaction, giving U.S. analysts their first substantive warning of a likely invasion of Kuwait.

Other sources of U.S. intelligence in the Middle East include the British, Israelis and Turks, all of whom have secret agreements to share intelligence with the United States.

Mr. Richelson said he was sure the Turks have listening posts focused on Iraq. In addition, he said, the Government Communications Headquarters, the British NSA, operates U.S.-equipped listening posts at the Abut Sovereign Base area in Oman and at the Episkopi Sovereign Base area on Cyprus. Signals they collect are sent to a U.S. post at Bad Aibling, West Germany, and on to NSA headquarters at Fort Meade, Maryland.

Yousef Allen/The Associated Press

Demonstrators carrying a poster of President Saddam Hussein of Iraq as they chanted anti-Western slogans at Amman's University Mosque on Friday afternoon.

Israel Denies Any Role in U.S. Plan

Reuters

JERUSALEM — Israel, trying to keep out of any Gulf conflict, said on Friday it was informed of U.S. plans but would not fight at the "push of a button" for other countries.

Foreign Minister David Levy and Defense Minister Moshe Arens said that Israel could deter an Iraqi attack and denied it had any role to play in Western military pressure against the Arab state.

"I believe there is some sort of fantasy here," Mr. Levy told Israel radio when pressed to explain Israel's low profile in the U.S.-led campaign to force Iraq's president, Saddam Hussein, to withdraw from Kuwait.

"People thought Israel would be some sort of base for a foreign legion, or garrison, or expeditionary force that only with the push of a button would do the work of others," he said. "Things aren't like this."

U.S. Envoy Meets Syrian

Agence France-Presse

DAMASCUS — John H. Kelly, a U.S. assistant secretary of state, met here Friday with Nasser Kaddour, Syria's minister of state for foreign affairs, to discuss the crisis in the Gulf, the Syrian news agency SANA reported.

Mr. Kelly said he and Mr. Kaddour "went over the whole range of what is going on in the region."

Western and Arab efforts to forge a diplomatic solution to the Iraqi invasion and annexation of Kuwait have intensified, amid a massive Western military buildup in the Gulf.

Mr. Kelly said he had come to Damascus on Thursday "to discuss events in the region with the Syrian government."

"We had a good exchange of views that was worthwhile to me," he said. "I will be reporting to my government and we will all be awaiting the result of the Arab summit under way now in Cairo."

Syria, ruled by a rival wing of the Ba'ath Party, has been one of Iraq's principal adversaries in recent years.

Mixed Signals on the Gulf Highlight the Ambivalence of Japan's Policy

By Steven R. Weisman
New York Times Service

TOKYO — The crisis in the Gulf is stirring unusual discord here over Japan's proper role in it.

The disagreements are raising particular doubts about whether Prime Minister Toshiki Kaifu will be able to leave next Wednesday for a tour of the Middle East that includes Saudi Arabia, Jordan and Egypt.

The trip was planned months ago, and Mr. Kaifu says he intends to go ahead, despite heavy pressure to cancel from colleagues in the ruling Liberal Democratic Party, who fear the trip could turn into a debacle.

Their main concern is that by going to the region now, Mr. Kaifu might alienate Iraq, which he will not visit, and annoy other oil-producing countries he does visit by seeming to pressure them to pump more oil.

Arab specialists in the Liberal Democratic Party were said to be especially eager to avoid all the current problems by having Mr. Kaifu cancel his trip.

They were understood to be pointing to the fact that conciliation of Iraq had paid dividends already.

They cited the fact that although Baghdad had said that most foreigners in Iraq would not be permitted to leave, 73 Japanese tourists were allowed to depart in an Iraqi Airways plane.

In addition, some aides were described as fearful of the domestic consequences of having the prime minister behave like a supplicant in the Middle East.

Then there are those who contend that a last-minute cancellation would weaken Japan's prestige and halt a movement toward an active political role in international affairs more commensurate with Japan's status as an economic superpower.

"There's always a risk-averse tendency in Japan," said an American official familiar with the Japanese debate. "There are a lot of people who don't want to put the prime minister at risk politically in a very complex situation."

Japan traditionally has acted with caution in the Middle East, letting the United States and others take the lead in protecting the flow of oil. This behavior has drawn criticism that Japan was getting a free ride.

After Iraq invaded Kuwait last week, Japan initially said it would boycott Iraqi oil once the UN Security Council acted. Then three days later, when it became apparent that the Security Council would act, Japan said it would indeed halt all purchases from Iraq and Kuwait.

The action cut off an eighth of Japan's oil supplies and sent the Tokyo stock market skidding.

"In terms of everyone's oil dependence, Japan is the weakest link in the chain," said Kazuo Nukuzawa, managing director of Keidanren, the largest industrial trade association. "So it cannot be helped that we took a long time to act. It looks like hesitation, but I would call it prudence."

An American official said Japan should not be criticized for its initial hesitation. "We were impressed," he said. "If you look at past crises, the Japanese response was really unprecedented in terms of comprehensiveness and speed."

However, there was another set of mixed signals on the question of the American decision to send troops to Saudi Arabia.

Initially, Japan declined to support the American action.

But on Friday, Foreign Ministry officials, when asked, said Japan supported the American move wholeheartedly.

The initial wavering was explained as being in line with Japan's resistance to endorsing the use of force, but critics say that Japan is still trying to benefit from American actions but be free of the controversy surrounding them.

"A nation, like a human being, shows its true face in a crisis," Minoru Hirano, a columnist, wrote Friday in the Daily Yomiuri, an English-language publication. He added that Japan had shown a "sly and selfish face" in the current crisis by refusing to act or call for action.

The disagreement over Mr. Kaifu's trip came into the open when Kabun Muto, the minister for international trade and industry, said earlier this week that the prime minister would press Saudi Arabia and other oil-producing countries to make up for the losses of oil from Iraq.

His comments were subsequently dismissed by Foreign Ministry officials, who said Mr. Kaifu would not necessarily say any such thing. A senior official said there were other ways to convey the message to Saudi Arabia and other oil-producers than by having Mr. Kaifu say explicitly that Japan wants more oil — for example, by having the word passed through private oil companies.

Mr. Kaifu's trip is to take him to Turkey, Saudi Arabia, Oman, Jordan and Egypt.

Iran has reportedly pledged to make up any shortfalls in Japanese oil supplies caused by the Iraq sanctions. Page 9.

U.S. Calling In Airlines Over Hikes

Compiled by Our Staff From Dispatches

WASHINGTON — Transportation Secretary Samuel K. Skinner is calling in U.S. airline executives to discuss the impact of sharp rises in jet fuel prices that have led nearly every major carrier to announce fare increases.

Some increases went into effect Friday, but passengers on most airlines have until Wednesday to book flights in advance at current fares.

Mr. Skinner wrote to several airline presidents Thursday, asking them to make appointments with him next week to discuss how higher jet fuel prices after the Iraqi invasion of Kuwait are affecting airline finances and the public.

Delta Air Lines, United Airlines and USAir all announced 5.3 percent fare increases Thursday that are to take effect in five days. Several other airlines announced increases earlier.

Northwest Airlines dropped a planned fuel surcharge of $8 per flight but announced a 10 percent fare increase. American Airlines scaled back its increase from 10 percent to 5.3 percent. Midway Airlines also cut its planned increase to 5 percent from 10 percent.

Other airlines that have announced increases include America West Airlines, Pan American World Airways, Southwest Airlines, TWA and the Trump Shuttle.

Aviation Daily, which monitors the industry, said Friday that TWA and Pan Am were likely to reduce announced 10 percent fare increases because none of their foreign competitors were immediately raising their prices.

Several carriers indicated that tickets bought before the increases would remain at lower prices, even for flights several months away.

Prices of jet fuel have shot up from 70 to 75 cents a gallon before the invasion to 80 to 90 cents this week, airline officials said.

Mr. Skinner asked all transportation companies to show restraint in raising rates in response to increasing fuel costs.

"I am concerned about the effect of the rise in fuel costs, [illegible]ner said his letter to the airline presidents. ooth on the financial position of the industry and on the traveling public."

Meanwhile, the airline industry, fearful of being accused of price-gouging, defended the round of price increases as justified, arguing that it could not afford to absorb the sharp increases in jet fuel prices that followed the Iraqi invasion.

Robert J. Aaronson, the president of the Air Transportation Association, a trade association that represents the major U.S. airlines, pleaded Thursday that airlines were feeling the same "extreme frustration" as other consumers.

He said he expected all airlines to honor tickets sold before the increases take effect. *(AP, LAT)*

In Poll, Support for Bush Is Mixed With Fear

By Paul Taylor and Richard Morin
Washington Post Service

WASHINGTON — Americans support President George Bush's initial response to the Iraqi invasion of Kuwait, but they also view the prospect of U.S. military engagement in the Middle East with a mix of skepticism, frustration, confusion and outright fear, according to interviews and a national survey by The Washington Post and ABC News.

The Post-ABC poll found that nearly three out of four persons questioned said they approved of Mr. Bush's decision to send troops to Saudi Arabia and the Gulf.

But the survey, and interviews with citizens in the Washington area and around the country, indicate that support for the president was often offered warily.

For many of those questioned, the first instinct was not to "rally round the flag," but to ponder why America had reacquired its thirst for Gulf oil so quickly after the oil shocks of the 1970s, to brood over why more countries haven't leaped to the defense of Saudi Arabia, and to draw edgy analogies to the Cuban missile crisis or Vietnam War.

"I remember going to sleep that night sure I was going to wake up to the sound of air raids," said Barbara Humphrey, a planner for the city of Syracuse, New York, referring to the 1962 Cuban missile crisis. "This has a little bit of that same air of unreality."

The Post-ABC News survey revealed anxiety about the uncertain course the president has charted in the Middle East — a path that six out of 10 persons interviewed predicted would lead directly to war with Iraq.

Most of the 769 persons questioned Wednesday said they would support going to war with Iraq to force its army out of Kuwait.

But public support is far from overwhelming; four out of 10 said the United States "should not get involved in a land war in the Middle East even if Iraq's invasion means that Iraq permanently controls Kuwait."

The survey also found that a majority opposed an invasion of Iraq. Most of those questioned also opposed a preemptive strike by U.S. forces against Iraqi troops along the Saudi border. And a majority opposed air strikes against military bases within the country.

Those results suggest the "line in the sand" Mr. Bush has drawn to warn Iraq to stay on its side of the border also represents how far the public is willing to go in support of military efforts to force Iraq out of Kuwait.

This same mixed message appears to be reaching members of Congress, who so far have strongly supported Mr. Bush's actions.

Rick Gureghian, a spokesman for the re-election campaign of Senator Claiborne Pell, the Rhode Island Democrat who is chairman of the Senate Foreign Relations Committee, said voters in the state "want to see some action, but people don't want to see a full-scale conflagration."

Behind the numbers in the national survey are real fears.

Florence Williams, an instructional supervisor at a Syracuse elementary school, said that when her 10-year-old son asked her what was going to happen next, she "tried to keep the fright out of my voice."

"But I am very worried," she said. "The United States is going into this with one set of values toward human life, but we are dealing with people who don't have the same set of values."

For most Americans, the Iraq crisis could not have happened at a worse time. With the national economy struggling, many now fear that increases in the price of oil could push the country into recession.

The Post-ABC Poll found that 86 percent of those questioned expected the crisis to have a negative impact on the economy, with 39 percent predicting it will have a "major negative impact."

Robey Newsome, 27, a bank employee in New York, said he was concerned that the cost of the crisis would wipe out the savings expected from the relaxation in East-West relations. "The peace dividend is going for war," he said.

Nationally, 74 percent of those interviewed in the poll said they approved of Mr. Bush's decision to send troops to Saudi Arabia and the Gulf, and nearly as many said the president has been appropriately tough with Iraq.

Nearly seven out of 10 persons questioned said they supported the blockade of Iraqi ports, even if it means U.S. ships "will be in the range of Iraq's missiles." Nearly as many said the United States should keep its military forces in Saudi Arabia and the Gulf until Iraq withdraws from Kuwait, "even if it means keeping American forces there many months or even years."

There were skeptics, though. "I just wonder why we're always the ones in with the troops," said Leslie Jurkiw, a housewife and mother of three. "If we didn't go, would England or someone else send in the troops?"

In U.S., Gulf Crisis Puts Foreign Policy and Economy at Odds in an Election Year

By Michael Oreskes
New York Times Service

WASHINGTON — All the uncertainty in the Gulf has ensured at least one thing in the United States: This fall's elections, which have seemed but a hodgepodge of races with little national focus, will now revolve heavily around an economy that threatens to sag under the burden of rising oil prices.

On its face, that is bad news for President George Bush and the Republicans.

Few laws of politics have been proved more often than the one stated by Harold Wilson, the British prime minister, in 1968: "All political history shows that the standing of a government and its ability to hold the confidence of the electorate at a general election depend on the success of its economic policy."

Republican officials are in near panic over what may happen at the polls this fall as economic trouble stokes an already potent pox-on-politicians mood.

"I've been in politics for 30 years and this is the scariest political environment I've ever been in," said Edward J. Rollins, co-chairman of the National Republican Congressional Committee.

But in this year's witch's brew of politics, maxims deserve a second look. The simple formula that bad economic news equals bad political news for the president's party may not capture the complexity of the modern economy or of politics.

Mr. Bush faces the most delicate dilemma of his career. Nothing boosts the standing of a president and his party more than the firm handling of a foreign crisis.

And there is nothing that hurts that standing more than a sliding economy. But the more firmly Mr. Bush stands up to the Iraqis, the more he insures higher oil prices, inflation and recession.

Assuming he handles the crisis well, which will dominate the campaigns — foreign policy management or economic hardship?

The conventional wisdom is that economics overrides almost all other issues.

But there are dissenters. Some analysts in both parties say Iraq's invasion of Kuwait will not only boost Mr. Bush's standing as a leader but also give him an explanation for a recession.

Perhaps that will temper its political effect, since Americans, like most people, endure pain better when they are given a reason.

There is also the notion that recessions are different these days. Politicians fear them because they produce unemployed and angry voters.

But what if this incipient recession does more damage to bankers and business executives than to working people?

There will still be political fallout, but it could be quite different from the past.

To see the effect of the economy on the elections more clearly, it is necessary to ask how the economy affects voters.

First, a truism must be dispensed with. Voters do not "vote their pocketbook" in the direct sense.

"Very few citizens are motivated to vote against the incumbent simply because they see their financial situation has deteriorated," said Michael S. Lewis-Beck, a professor of political science at the University of Iowa, who surveyed voters in the U.S. and Europe.

In other words, higher gasoline prices will not, of themselves, lead to retaliation at the polls, particularly if Mr. Bush explains them as a necessary price for a national goal.

What the voters respond to, the professor said, is their sense of where the economy is headed. Everything from the closing of a savings and loan to the announcement of higher unemployment can influence that.

What matters is the overall psychological effect. So it follows that factors other than hard data matter.

Kirk O'Donnell, a Democratic analyst, says the 1986 and 1988 elections were influenced more by political talk about the economy than by real changes.

In 1986, he said, the Democrats persuaded voters that economic trouble was brewing and recaptured the Senate.

In 1988, Republicans held onto the White House after calming economic fears, Mr. O'Donnell said.

So the political effect of the 1990 recession will depend a lot on whether voters think it is George Bush's recession or Saddam Hussein's.

Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post

The Siege of Iraq

President George Bush has skillfully orchestrated a two-pronged response to Iraq's occupation of tiny Kuwait. He has dispatched U.S. military forces to prevent the Iraqi divisions from pushing on to occupy Saudi Arabia's oil fields. And he has led the worldwide economic effort to choke off Saddam Hussein's oil exports and force him to withdraw from Kuwait.

The U.S. troops have, from the moment of their arrival, provided a sound way to deter Iraq's military threat to Saudi Arabia. And though trade sanctions rarely work, in Iraq's case they promise ultimately to squeeze hard enough to force withdrawal. Even so, that could take months. Mr. Bush has so far won a unified commitment from Iraq's trading partners to punish its treachery. But for the siege of Iraq to succeed, they will have to remain patient, and that will require extraordinary leadership.

Iraq depends on oil exports to pay for almost everything, including over 70 percent of its food. Yet it has buffer stocks that, in the case of food, could last until winter. Given enough time, countries find ways to undermine economic sanctions.

The resolve of encircling nations to maintain a siege is often no match for the resolve of the besieged. All Saddam would need is an ally, or foreign merchants willing to violate international sanctions and their country's law. Rhodesia survived United Nations trade sanctions by turning to South Africa.

Besides, Iraq has some anti-siege weapons. For one thing, it has plenty of cheap oil. If that could be sold at deep enough discounts, there might well be shippers willing to sneak the oil onto international markets, even at the risk of seizure by governments complying with the United Nations embargo.

Another potential weapon is that Iraq might be able to manipulate the Arab world's animus toward the United States and Israel as well as the wealthy Kuwaitis. Playing to these entrenched emotions, Iraq will try to peel one or more of its neighbors away from the UN sanctions.

Finally, Saddam remains ruthless. During the eight-year war with Iran, he subjected his country to endless suffering. Yet he remained in control. He is not a ruler who will surrender to spare his countrymen pain.

Iraq will be fighting tremendous forces. It relies solely on oil, which is very hard to slip out through siege lines. Oil is shipped in large, expensive tankers whose movements are easily monitored. As long as oil-importing nations remain unified, shippers won't find any place to unload Iraqi oil.

Choking Iraq into submission will raise humanitarian issues. Would Saddam hold out to the point of starving innocent Iraqis? Would the world squeeze that tight?

The siege of Iraq could succeed well short of such extremes. Time will be needed to make the trade embargo work. But time will also undermine the resolve of the nations now joined to make it work. They know how to act on their outrage at Saddam's brutal aggression, and are doing so. What is unclear is whether they are angry enough and unified enough to stick to their siege guns.

— THE NEW YORK TIMES.

Stick to the Budget

The Iraqi invasion of Kuwait, the swift response of oil prices and the familiar threat of recession the higher prices represent for the U.S. economy produced a premature sigh of relief in one strange corner of the country. Some members of Congress and leaders of interest groups who had been faced with the prospect of voting on and/or enduring budget cuts suggested that the risk to the economy was such that they should be let off the hook. What greater mistake than to take lots of federal money out of the national spending stream just when higher oil prices were themselves acting like a major tax increase and having the same effect?

On Wednesday, however, President George Bush and Treasury Secretary Nicholas Brady wisely joined others in and out of Congress in quashing this false doctrine. It may indeed be that the new risk to an already fading economy will counsel cutting the deficit less next year and more in the latter years of whatever multiyear plan is agreed to. It is also a tricky time for monetary policy. That is why the president was right to announce that it remains "absolutely essential to get a budget agreement." The Treasury secretary usefully added: "The problems facing the U.S. can be better handled if we have the budget deficit under control."

The great risk in not acting on the deficit during the good times of the past eight years was always precisely that the economy would turn down and the problem would have to be faced during bad times. The threat was that recession would increase and institutionalize the deficit at an even higher level. At the very time when they should be low to stimulate recovery, interest rates would have to be higher than otherwise to draw in the necessary funds from abroad. The higher rates would weaken the economy at home, stimulate imports at the expense of exports and leave the United States hostage to economic policies in Europe and Japan, since rates would have to remain competitive. The continuing result would be to drain the U.S. economy and leave the government without the means to address the social problems the recession would compound.

That's what the great party during the Reagan and first Bush years cost. The flight from responsibility then means the country may now have to work its way out of the problem in adverse circumstances, but it's still got to do so. Some of the people now saying the deficit cannot be cut because the country is on the verge of recession were the same ones saying earlier that it could not be cut because the economy was in the midst of expansion. There is never a good time. But as Mr. Brady put it, "We cannot be strong when the budget deficit is where it is." He's right.

— THE WASHINGTON POST.

Reneging on the Poor

Earlier in this Congress it appeared that the big winners in the first two years of the Bush administration might include the poor. Now that prospect has dimmed. Initiatives to help the poor have lost momentum. Here, much now depends on the budget summit, which in turn is a prisoner of the events in the Middle East.

After months of negotiations with the administration, Congress last year passed the first increase in the minimum wage in nine years. The wage floor had lost more than a third of its purchasing power, and the increase restored only part. But that added to pressure on, and expressions of willingness from, both parties to make up the difference in other legislation.

First among these was to be, in the guise of a child care subsidy, a large increase in the earned-income tax credit, which acts as a wage supplement for the working poor with children. The president endorsed the idea as an alternative to a Democratic child care program he said would be heavy-handed. There was to be a new child care program of some kind, though disagreements persisted about the form it should take. The food stamp program was also to be liberalized, restored to its level before the Reagan cuts of 1981 and 1982. An extension of Medicaid, which still serves only 40 percent of the poor, and a bill to revive the housing programs were also in prospect.

Now the earned-income tax credit is in some danger of being folded into the summit discussions and being used, not so much to increase the incomes of the poor, but as a balancing device to make them whole after excise tax increases or other regressive steps reduce their incomes.

The child care bill is in a kind of limbo; House-Senate conferees operating under a veto threat and trying to reconcile more irreconcilable proposals than they can afford are making little progress.

The food stamp restoration bill is also in an uncertain state; the question is whether the budget agreement will leave room for the proposed increases of ultimately more than $1 billion a year in costs.

Also in part for budget reasons, any expansion of Medicaid this year is likely to be modest, while the housing bills, for all the fuss surrounding them, are mainly extensions of the status quo.

The budget negotiations could end up not merely foiling efforts to help the poor but hurting them, not just by tax increases but by raising fees regardless of income.

All of this is wrong. A social deficit has been allowed to accumulate in recent years alongside the budget deficit. Income inequality is sharply up; the poverty rate is high for an economy now completing an eighth straight year of expansion. Recession would exacerbate both figures, compounding the social as well as the fiscal shortfall.

The budget summit and the final weeks of this Congress will be a double test. The deficit should come down, but at the same time aid to the poor should go up.

— THE WASHINGTON POST.

Other Comment

Iraq's Economic Trump Card

Squeezing trade with Iraq is going to prove difficult. For trade embargoes, with or without a naval blockade, have always had varying effects. There will be plenty of trading companies willing to act as go-betweens to disguise the true seller of certain oil shipments and the true buyer in armament deals. As Iraq and Kuwait control 20 percent of the world's supply of oil, the temptation will be all the greater. Iraq's task has been made much more difficult by the unprecedented level of international outrage over its invasion of Kuwait. But the Iraqis' trump card is the fact that it owes $8 billion to the same overseas banks that are freezing [its] assets.

— Australian Financial Review (Sydney).

Will the threat of famine make Saddam Hussein change his mind? Or will it strengthen the unity of the Arab peoples in an Islamic crusade seeking to do away with the pro-Western Arab monarchies, Israel and Christians still living in Lebanon?

— El Mercurio (Santiago).

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher* • FRANÇOIS DESMAISONS, *Associate Director* • JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel.(069) 726755. Tlx:416721 Pres. U.S.: Michael Canoy, 850 Third Ave., New York, N.Y. 10022. Tel.(212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

While You All Sweat, Here's My Big Plan

By William Safire

A GREAT leader, a new Saladin, is known for the enemies he makes. I now have the enemies I need.

First, I have every rich Arab in the world hating and fearing me. They thought they could buy me off by financing my war against the Persians. I spit on their demands for repayment. Today, Kuwait is mine; tomorrow, the Arab world.

I do not have to fight the Arab nation; I have only to lead it. Arabs in the streets are sick of weakness and cry out for a conqueror to wreak vengeance on sheikhs, the West, the Jews.

Arab leaders? Hosni Mubarak lives in terror of Anwar Sadat's fate. Hassan II knows he is the last king of Morocco. Syria has 4,000 tanks, but I show my contempt for Hafez Assad by moving my troops from the Syrian border toward the Saudis.

Yasser Arafat and my little Hashemite toady in Jordan have come running to me because they have more respect for military muscle than money. King Fahd knows I will hang him and confiscate his wealth, so he has run to the Americans.

Ah, my new enemy, the Americans. We will see how they like sitting in the 110-degree tents in their poison-gas gear. I hold 30 times as many American hostages as the ayatollah ever did.

If America besieges us, we will see how world opinion changes when I show starving Iraqi babies on television, when I let their maddened mothers harass our 3,500 American guests.

America lost an eight-year war against an enemy a tenth of its size; Iraq won an eight-year war against an enemy triple our size. We'll see who is better prepared to bear the pain of oil blockade. If America cannot win a war in a week, it begins negotiating with itself.

I know the Americans. I have listened to the supplications of Senator Arlen Specter; I heard the silence of the White House after my gassing of the Kurds and hanging of the reporter.

I have broadcast the meeting with Senator Bob Dole's delegation telling me how he opposed the Israeli bombing of my reactor in 1981, assuring me that the Voice of America fired the writer who insulted my secret police. Weaklings all.

A month ago George Bush expected me to thank him for the money, the grain, the technology. Now he is terrified at my using the Dow chemicals — financed by his Export-Import Bank — in poison gas canisters aimed at his troops occupying precious Arab soil.

I fooled the Americans and Saudis by taking Kuwait; they fooled me by agreeing to base troops near the oil fields; now it is my turn again.

Let them dig in and sweat; I have the opportunity to launch the first surprise nonattack.

My Jordanian messenger has warned other Arab "leaders" that my followers will bring down any government that joins the Yankee force. I want the American mercenaries there alone. I want them and the Saudi royalty to get sick of each other.

Meanwhile, I can turn my attention to my most useful, unifying enemy, the Israelis. If they had not stopped my nuclear weapons plant nine years ago, I would have been able to incinerate Tehran. The same order that gassed only 5,000 Kurds at Halabja would have killed 3 million Persians at one blow.

How do I change this from a war between rich Arabs and poor Arabs to a glorious war of Arabs against the Zionists and their American allies? How do I force Hafez and Hosni, the disunited Arab republic, to fight by my side?

One way would be to send a tank column not against the Americans, but into my willing neighbor, Jordan, at the invitation of the little fellow I still permit to be king. That would surely bring the Israelis into my war.

Israel could no longer claim my crusade to be a war between Arabs. By moving into Jordan, which offers my tanks and artillery a straight corridor to the Israeli border, I offer the Jews no choice but to strike.

Then it would be Saddam against Yitzhak Shamir — and King Fahd would have to throw out the Americans and world opinion would swing to my side. End of sanctions.

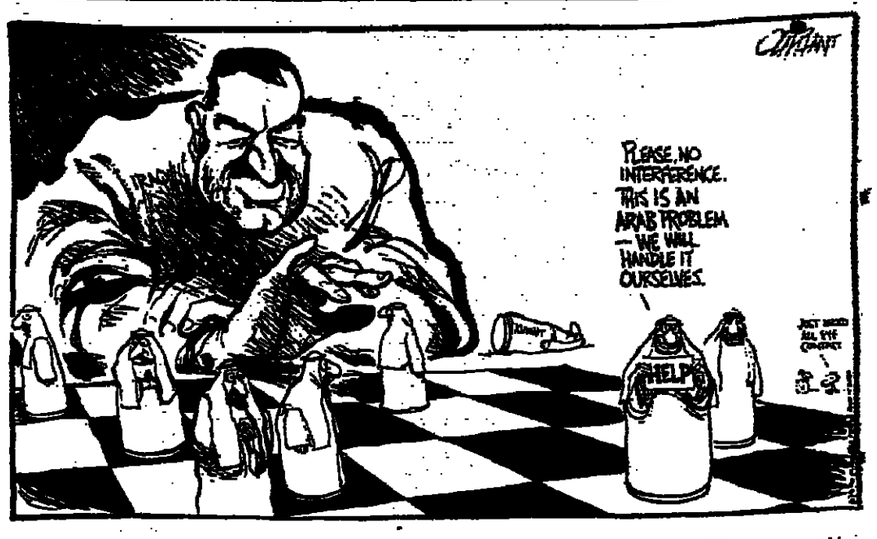
Only one drawback: When the Israelis hit, they will hit with everything they have. If I use gas to slaughter civilians, they'll go nuclear. I don't mind taking the casualties, but they'll go after every one of the centrifuges I scattered to make enriched uranium.

Maybe the wisest move now is no move at all. My population can take starvation, and I, who began as an assassin, know how to guard against any Von Stauffenberg solution.

Atrocities in Kuwait will terrorize the Saudis and emirates, and threats to hostages will terrorize the West. After inflation and recession, Mr. Bush will want to bring the boys home by Election Day.

If waiting doesn't work, I can play the Israeli card.

The New York Times.



Kuwait: A Light Has Been Snuffed Out

By Daniel Pipes

GENEVA — The Iraqi conquest of Kuwait is a human tragedy. Beyond the transgressions of morality and law, the rising oil prices and the destabilizing of the Third World's most important region, a tyrant has destroyed a peaceable and vibrant country. I would like to recall Kuwait before Saddam Hussein turns it into one more cog of his war machine.

To be sure, the Kuwaitis had it good. The 700,000 or so citizens benefited from an annual income of about $14 billion. That comes to $23,000 each year in free money for every man, woman and child.

Were life fair, Kuwaitis would not have benefited from such vast wealth, extracted with much pain from industrialized and poor countries alike. And there is no point denying that much of this money went into the usual self-indulgences-mansions, cars, servants and foreign vacations.

But there is no point railing against Kuwaiti fortune. Beyond luxury, the key question is whether the beneficiaries of this income used it constructively, whether they did more than consume. Here they get high marks. In a single generation, Kuwait emerged as an intellectual and cultural center of the Middle East. It supported serious research into medical and ecological problems. Its universities attracted some of the brightest minds of the Arabic-speaking world. As Kuwaitis became educated, they came to recognize the value of liberal tolerance. Their newspapers, magazines and books were among the freest and most important in the region.

There was a sense of trying to do good, to give some return on so much of the world's investment. Admittedly, the return was meager, but it would have grown with time.

The government of Sheikh Jabbar al Ahmad al Sabah was the best in the Arab world. "Like all Arabs, he ruled with force," a Kuwaiti told me last year. "But alone of them, he tempered that force with mercy."

The emir sponsored a lively parliament, the only one among the sheikhdoms of the Gulf. When a pro-democracy movement began earlier this year, his response was hardly enthusiastic, but it was moderate. Citizens exercised wide rights to freedom of speech. In short, the emir was the model of a benign desert autocrat.

In a single generation, Kuwait emerged as an intellectual and cultural center of the Middle East.

Kuwait should not be confused with Saudi Arabia, its better-known neighbor. In nearly all ways, Kuwait is a more appealing place. Sheikh Jabbar never imposed King Fahd's brand of control on travel, nor did he chop off hands and heads. In Kuwait, women drove cars, joined men in university classrooms, shared business space with them and held positions of responsibility in the government.

Though never tested until now, the government's popularity has been established by the Iraqi invasion. Despite Saddam Hussein's frenzied efforts to find a Kuwaiti to rule the country in his name, no quisling turned up. The new "revolutionary" rulers and soldiers are to a man Iraqi. The refusal of even the most disgruntled subjects to betray their emir is a tribute to any leader.

The human tragedy goes beyond the Kuwaitis themselves, a minority in their own country, and includes the 1.2 million noncitizens. Hundreds of thousands of workers and their families made Kuwait their permanent home. Although excluded from the country's political life, they had a chance to settle and prosper. Born in Kuwait, they know no other home. Now they will find their livelihood gone and their presence perhaps unwelcome. For many of the 300,000 or more Palestinians, this will mean packing their bags once again.

Kuwaiti foreign policy reflected this spirit of tolerance. In the effort to maintain good relations with nearly everyone, the government gave away billions of dollars in aid. It neither supported terrorist groups nor sought to shape a new international order.

Short of a miracle, the placid, commercial and intensely social life of Kuwait is dead. The good life is no more. Men, who enjoyed large incomes for nominal work, will work harder and earn less. Women will learn about a life without servants and about shortages. Children will trade foreign schools for the rigors of political indoctrination.

One Iraqi writer has termed the government of Saddam Hussein a "republic of fear," and the term is apt. Since seizing power in 1968, he and the other rulers have refined a system of control and intimidation that resembles that of Stalin and Mao. Saddam combines absolute power with thuggish ambition; the 17 million Iraqis are no more than the vehicle for him to achieve personal power. Now the Kuwaitis are also a means toward that end.

When Iraqi troops entered Kuwait on Aug. 2, an era of innocence abruptly came to an end. It is clear that one of the few lights in the Middle East has been extinguished.

The writer is director of the Foreign Policy Research Institute in Philadelphia. He contributed this comment to The Washington Post.

Saddam Has Set a Trap in the Sand

THE IRAQI invasion of Kuwait may be a chance to break the nonsense of Baathism once and for all. Saddam Hussein has done half the job himself, by showing that what the pan-Arab idea really amounts to is a handy excuse for marching into a neighbor's country. To finish the job, the United States must make the Arabs understand that though its priority is to expel Iraq from Kuwait, and contain Iraq thereafter, it is not going to abandon its quest for a fair settlement between Israel and the Palestinians.

The questions of Palestine and Kuwait may seem far apart. To Arabs, they are different sides of the same coin. Those Arabs who admire Saddam Hussein's strength do so largely because Israel has made them feel weak. Iraq's dictator is least popular among Egyptians, who have made their peace with the Jewish state, most popular among Palestinians and Jordanians, who feel threatened by it. Now that he is in a corner, shunned by fellow Arabs, Iraq's dictator will do his utmost to draw Israel into the conflict in the Gulf. That is the one great trap the West must be sure to avoid.

— The Economist (London).

The Burmese Generals Will Keep Them Quiet

By Michael Adler

BANGKOK — *Nyain Wit Pi-Pya.* This Burmese phrase, which means "quiet, kneeling, lying flat," describes how citizens should behave, according to the generals who rule Burma. The phrase also is the Burmese expression for the State Law and Order Restoration Council.

Hopes raised by free and fair general elections in May are being dashed in Burma. The military junta, ruling through the council, has reasserted arbitrary, one-party rule. Over the past few weeks, the generals have made clear what many feared — that they are going to hold on to power by ignoring the results of the election they organized.

The prospects are bleak for Burma, which has some of the richest resources but one of the most isolated and impoverished economies in Southeast Asia. Democracy was taken away from the Burmese in 1962 with a military coup. It is now possible another generation will grow up without a chance to choose its own government.

The junta, led by General Saw Maung, has used up the good faith it earned with the May elections. It now acts as if the ballot either never took place or had no validity. Yet something significant did happen. The Burmese rose up almost as one to show their political maturity and unity. The National League for Democracy won 392 out of 485 seats to a national parliament, a majority of 81 percent. It was a landslide vote for change.

The armed forces had apparently miscalculated. They held the elections to gain international approval after being condemned for suppressing the pro-democracy movement. They did not not expect any party to win a majority. This would have left a parliament easy to manipulate, plagued by the divisiveness that ruined Burma's experiment with democracy from independence in 1948 until 1962.

Military spokesmen told foreign reporters the day after the election that they would not interfere in the new parliament. Unfortunately, the junta has not lived up to this pledge. It has imposed conditions, limitations and obstacles as it uses its apparently absolute power to keep the Burmese people from determining their own destiny.

The junta at first said it did not have to talk to the winning party since it had carried out its task by restoring law and order and holding elections. Since army troops are in the streets and control public administration, this left the league unable to form a government or even sit to write a constitution.

The military then said that parliament could convene only after election expenses and objections by candidates to poll results were settled. It gave no timetable for this. It finally rendered the election trivial by calling for a national conference to provide guidelines for drafting a constitution that would be adopted only after a national referendum.

There is widespread discontent in Burma, but even peaceful marches are impossible. Security forces recently opened fire on a parade of protesting Buddhist monks and students in the central city of Mandalay, killing at least four persons.

No one dares to revive the pro-democracy street demonstrations of 1988. The armed forces brutally crushed that uprising and clamped martial law on the country. Meanwhile, the feared Burmese military intelligence service enforces security by surrounding suspects with informants and interrogating or imprisoning family members to put pressure on their relatives.

The question is how long can a people be disenfranchised without rising up or getting international help. The answer is that this is how things have been in Burma since General Ne Win toppled the last democratically elected government 28 years ago. The techniques of keeping a population quiet, kneeling and lying flat are working. And, sadly, it is hard to see a dynamic for change.

The writer is a Bangkok-based journalist who has covered Burma extensively. He contributed this to the International Herald Tribune.

North-South: Why Let the Quarrels Poison the Common Ground?

By Jonathan Power

LONDON — If someone told you that a country's death and infant mortality rates had been cut by half, life expectancy had risen from 40 to 60 years and in the same breath said the country was being cruelly exploited, you might raise an eyebrow of doubt.

Yet early this month in Caracas an international commission chaired by Julius Nyerere, the former president of Tanzania, issued a report, "The Challenge to the South," which does just that. It looks at the statistics of progress in Asia, Africa and Latin America, for which the above figures are the average, claims they represent failure, and then lays most of the responsibility at the doorstep of the West.

For all that, it is a superb report in many ways, the result of three and a half years' work examining the whole range of issues that confront the southern Third World continents. It outclasses the work of a similar commission of a decade ago chaired by Willy Brandt, the former West German chancellor, going much deeper and more exhaustively into the question of how to pull the Third World out of poverty into a state of economic and political liberty and how to create "an undivided world in which there would be no 'North' and no 'South.' "

But in the end the Nyerere report remains flawed because it works from a premise that I for one hoped had been edged out of the window in recent years — that the North, better known as the West, is a hostile force.

This is not to say that the case the commission builds is without foundation. It is surely right to argue that the North pays insignificant attention to the South. Too many people are unconscious of the fact that "while most of the people of the North are affluent, most of the South are poor; while the economies of the North are generally strong and resilient, those of the South are mostly weak and defenseless; while the countries of the North are in control of their destinies, those of the South are vulnerable to external factors and lacking fundamental sovereignty."

It is right to draw attention to the egocentric way the North dealt with the economic crisis of the 1980s, saddling the countries of the South with impossible interest rates on the debt that had been pushed onto them by the foot-in-the-door salesmen of the big Western banks during the 1970s. This was compounded with toughened trade barriers for many of the South's crucial exports and little or no effort to compensate these countries for their rapid decline in revenue from falling commodity prices.

The Nyerere report is flawed because it works from a premise that the North is a hostile force.

The North accepted no concept of burden-sharing, even though the 1980s crisis was clearly engineered not by the Third World but by the impact of the Iranian revolution and the poor economic management of Northern governments that could never bring themselves to bite the bullet on energy conservation.

Much of the Third World, particularly its women and children, did carry a disproportionately unfair share of the economic fallout from this crisis. Nevertheless, the case of exploitation is not made. The report skirts around arguments that do not fit its thesis (although it scrupulously gives all the facts).

First, it uses a sleight-of-hand trick to shunt aside Asia and develops its case essentially on Latin American and African experience. The truth is that Asia not only escaped the shock waves of the 1980s but continued to break records on every index of economic and social progress.

It was not only the small countries, Taiwan, Singapore, South Korea, Hong Kong, Malaysia, but also the giants, Indonesia and India, which grew at more than 5 percent a year. China grew at more than 9 percent.

These countries together have 70 percent of the population of the Third World. The Nyerere Commission appears to have overlooked that it is people we are talking about. The vital statistic is not how many countries are on the upgrade but how many people.

That Asian success was built on taking from the North what was good; freer trade, scientific openness, sharper competition, more private ownership, fiscal discipline, and rejecting what was bad, not least the mistaken promise of a shortcut by taking loans from Western banks.

The second fact the report ignores is that the North is increasingly democratic and capitalist. Its engine of political progress as well as its engine of economic growth is something that can be put to the service of mankind as a whole. Working against the West would be shortsighted and destructive. Chiding it to do better and be more responsive and involved can bring out the best in it. Capitalist democracy has its many weaknesses, but does anyone have a better idea?

Apparently not. The commission pulls no punches when it criticizes the lack of democracy and accountability in many Third World countries. It is all for decentralization and the end of one-party rule.

So if we all agree on so much why the hostile tone when it talks about things Northern? "The countries of the South," the report concludes, "need to evolve a value system that prizes creativity, innovation and the spirit of enterprise and is at the same time moved by concern for the underprivileged and the unfortunate."

Exactly. Can't we then work together without counterproductive rancor? The taste of bitterness and antagonism belongs to another age.

International Herald Tribune.

All rights reserved.

100, 75 AND 50 YEARS AGO

1890: Anglo-French Pact

LONDON — In laying the Anglo-French Agreement on the table of the House of Commons today [Aug. 11], the Marquis of Salisbury explained that ambiguous claims in Africa were defined thereby, and declared his conviction that the Agreement was a very fair one. Both parties would find their profit in it.

1915: America Replies

WASHINGTON — The United States Government has despatched to Vienna a reply to the recent Austrian Note. It rejects Austria's contention that great exports of munitions from the United States to the Allies are not in consonance with neutrality. The reply is understood to repudiate flatly the suggestion that the United States has permitted violations of neutrality, and also stands firmly for the right of Americans to sell munitions to all able to purchase them.

1940: Battle of Britain

ON ENGLAND'S SOUTHEAST COAST — From a balcony spattered with machine-gun fire and jarred by deafening bombardment I saw a new chapter in the battle of Britain written today [Aug. 11] in a sky thick with airplanes and spotted with mushroom puffs from anti-aircraft shells. Anti-aircraft guns thundered one hundred yards away. The raiders screamed down — sometimes from 15,000 feet up — pouncing on coastal balloon barrages. But from the ground and in the air the British gave them a hot reception. During one attack I saw four German planes apparently bagged by British fighters and anti-aircraft shells. Another correspondent farther down the coast counted one plummeting from great heights and trailing dense smoke. The raid began as a surprise attack on the balloons, but developed soon into fierce dogfights.

— From the New York edition of the New York Herald Tribune.

هكذا من الأصل

Detail of Giorgio de Chirico's enigmatic "Song for Love," done around 1914.

Themes of Modern Art

By Claire Frankel

LONDON — "What I dream of," wrote Matisse in December 1908, "is an art of balance, of purity and serenity, devoid of troubling or depressing subject matter, an art which could be . . . a soothing, calming influence on the mind, something like a good armchair which provides relaxation from physical fatigue."

The Tate Gallery's exhibition "On Classic Ground" (until Sept. 2) explores this return to order in France, Italy and Spain in the early decades of this century, when classicism was reinterpreted, stimulating originality. More than 170 masterpieces are presented — works by Matisse, Picasso and Maillol, as well as Braque, Miró, Bonnard, Gris and others — forming a beautiful and instructive theme tour of the years surrounding World War I.

A good starting point and an early signal of a return to classicism is the small oil, "Bathers," by Cézanne, a sketchy, simplified work of nude figures melding, almost to the point of being indistinguishable from their landscape setting of trees and water. It is an impressive affirmation that the relationship of human beings to each other and to nature must be counted as a basic concern of art and existence. In this painting, no sense of personality, time or place exist.

Picasso owned Renoir's "Seated Bather in a Landscape (Eurydice)" c. 1900 that today hangs in the Musée Picasso in Paris. The classical pose and sensual aura was a great influence on him. Examining his "Two Women Running on the Beach (The Race)," a gouache painted in Brittany in 1922, the allusion is clear. These voluptuous, seemingly weightless women disregard their very bulky frames as they run, holding hands and joyous, arms flung aside, breasts half-exposed.

Two years later and greatly enlarged, the painting was used at the Théâtre des Champs-Elysées for the curtain of the ballet about beach games, "Le Train Bleu," performed by Diaghilev's company with costumes by Coco Chanel and story by Jean Cocteau.

Relevant sculptures emphasize the "call to order." Maillol, credited as the father of modern French tapestry, came to sculpture when his first artistic love, tapestry design, became too difficult for his degenerating eyesight. During a journey to Greece in 1908, Maillol became convinced that, coming from Mediterranean origins in French Catalonia, he was the natural, cultural hinge between ancient Greece and the present. Writers compared his monumental sculpture, like "The Mediterranean," originally designed for a tapestry, to the classical Aphrodite.

But he was not duplicating ancient Greek images; his Catalan models were Venus de Milos. The monumental "Venus With a Necklace" evolved, like most of his work, over many years. Consider the perfection of her grace, the nonchalant loop of the beads, casually slung widely round the neck and caught effortlessly in the thumb of her right hand.

Like Maillol, Marino Marini's origins — in this case, Tuscany — were essential to his sculpture. He wrote of the discovery of Etruscan art in Tuscany as the reason "why my art is based on certain themes from the past — such as the relationship between man and horse — and not on modern subjects like the relationship between man and car." While finding the man/horse a recurrent theme, he also sculpted a number of female nudes such as the terra-cotta "Fragment," c. 1929. Here, the armless and headless seated smooth body leans gently back, a continuation of Etruscan material and sensuality.

Hedonism is also a natural concomitant of Picasso's serene 1932 "Head of a Woman," his young lover Marie-Thérèse Walter, combining classicism with primitivism. The massive head sits triumphantly on a tall, columnar neck. Classical subjects, such as the mythical "Minataur and Nude" executed the following year, were of great interest to Picasso. The ravishing of Marie-Thérèse by the beast is at once painful and playful, primitive and sophisticated. That classicism remained the source of his inspiration is evident even in such sculptural paintings as the bizarre "Seated Woman in a Red Armchair," redolent of Raphael's Madonnas.

PROBABLY no artist propelled classicism to a greater height in this century than Giorgio de Chirico. He was born in Greece and, like his brother Alberto Savinio (also exhibited), felt a tremendous affinity for his country all his life. In his enigmatic "Song for Love," c. 1914, Apollo's sculptured head appears with a red rubber glove next to it and a green ball beneath. He had written that art of the future should "expunge man as a point of reference, as a means of expressing a symbol" and he certainly delivered it here — no human trace is evident. Gazing at de Chirico's often baffling and disquieting works brings to mind Picasso's query, "Everyone wants to understand art. Why not try to understand the song of a bird?"

Claire Frankel is an American journalist who lives in London.

A Guggenheim Grows in Salzburg

International Herald Tribune

SALZBURG — Winding between the Baroque façades of a delightfully preserved city, one reaches the gray stone face of a cliff topped by trees, the Mönchsberg. A gate opens into the depths of one of the most innovative creations of 20th-century architecture. The well of a huge staircase linking three levels, extending according to an irregular

SOUREN MELIKIAN

plan, is primeval in its nudity, devoid of ornament or prop. Daylight pours down, filtered by the convex glass ceiling invisible to those who come in from the street. On one level the visitor wanders among some of the great works of 20th-century masters — Kandinsky, Picasso, Delaunay. On another, the classics of postwar art, and on a third the hottest and newest in contemporary art.

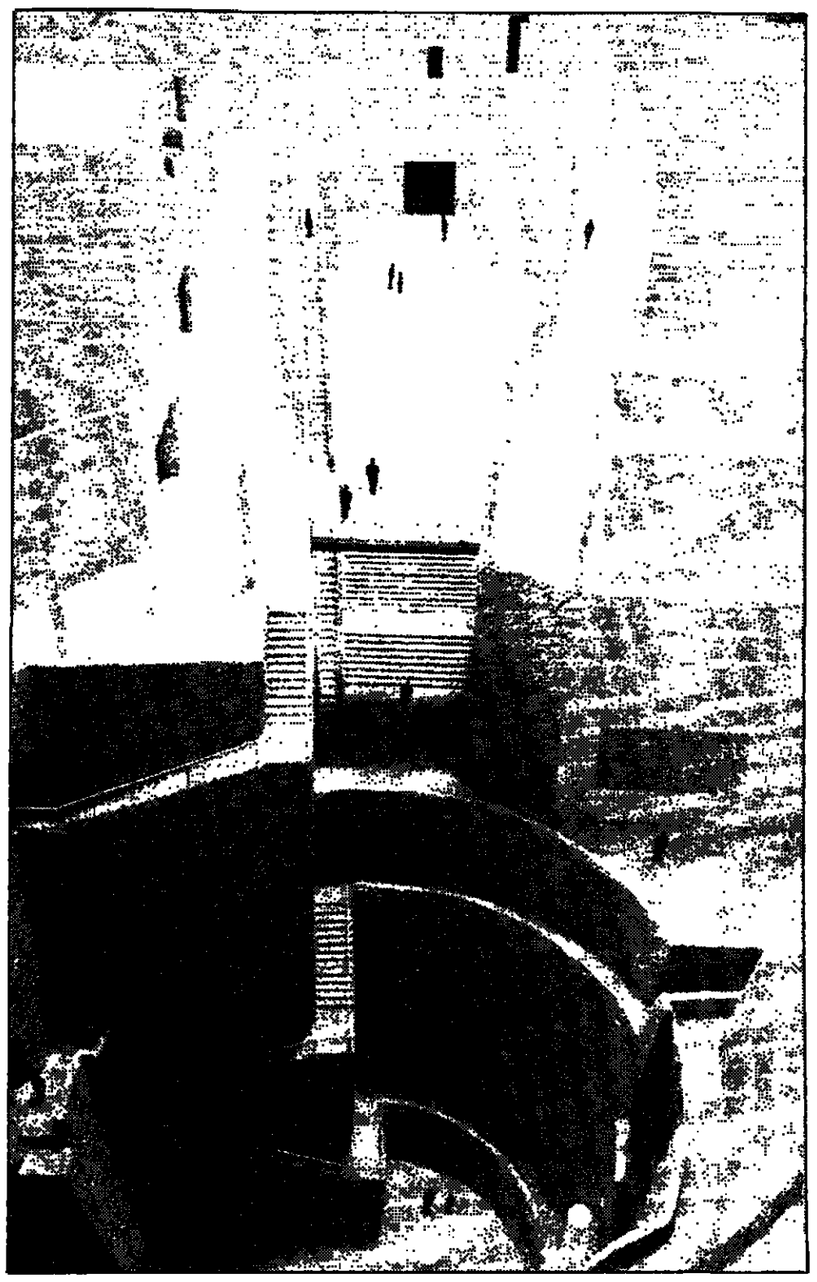
This vision is of Das Guggenheim Museum Salzburg, designed by the towering figure of Austrian architecture, Hans Hollein, to be furnished with some of the many Guggenheim masterpieces kept in storage for want of space.

What looked like a wild dream until very recently is probably on its way to reality. It would bring about a dramatic shift in the distribution of 20th-century art forces in Europe, dominated by one giant, the Centre Pompidou in Paris. An exhibition to be seen at the Residenzgalerie until Sept. 1 gives some idea of the commitment of the Guggenheim.

First there is the selection of "Masterpieces From the Guggenheim Museum," which lives up to its title and leaves the visitor gasping in surprise. It has not been advertised or publicized. Three weeks ago, one of those involved behind the scenes said, it was not even certain the show would materialize.

Yet what is probably the ultimate in Kandinsky's oeuvre, "Der Blaue Berg" (The Blue Mountain), done in 1908-09, is here. Two horses painted in unreal colors, like silhouettes seen in a dream, leap against the background of a deep blue hill dominated by huge trees. Not far away is "Reifrockgesellschaft" (In the Company of Crinolines), which retains an echo of Fauvism and Cézanne's late work. Together they remind the viewer of the key role played by the Russian-born master of the German school in the transition from the last of traditional Europe into 20th-century Expressionist abstraction.

Franz Marc, who died tragically at Verdun in 1916, aged 36, is also represented by his masterpiece. "Zerbrochene Formen" (Broken Forms), painted in 1914, is one of his last works. Evocative forms appear in a prismatic light. They illustrate a school that might have been, something like "Kinetic Cubism." Add top league Picassos, Légers, Delaunays, one of Brancusi's supreme achievements in his still figural phase — "Die Muse," a marble bust of 1912 — and what could have been just a small selection of 40 works becomes the year's exemplary modern art show, highlighting the turning point in Europe's culture between 1908 and the end of World War I. Seen in the light-hearted setting of this Mozartian town, it leaves a deep impression that tense, noisy, busy Paris or New York would not allow.



The interior of Hans Hollein's projected Guggenheim Museum in Salzburg.

In the middle of the painting exhibition, a room displaying an architectural model, plans and color photographs projects the image of the museum-to-be. At that stage, few visitors fail to be won over. The developments that led to the concept make up the most extraordinary museum story in the latter half of this century.

IT all started with the chance visit of a 14-year-old Salzburger named Felix Unger to the Peggy Guggenheim Collection in Venice. The uncompleted 18th-century palazzo with its long single story on the Grand Canal looks unreal, its seemingly roofless low volume dominated by trees behind it. Walking into it from the theatrical Venetian streets jolts the viewer, suddenly confronted with bold, abrasive avant-garde sculpture and painting.

Unger grew up to become a distinguished heart surgeon, nurturing a dream of something along the lines of the Guggenheim in his native Salzburg.

In May 1988, he took the plunge. At the Venice Biennale, he approached Thomas Krens, director of the Solomon R. Guggenheim Foundation, suggesting that a Guggenheim branch similar to the Venice institution be set up in Salzburg. Krens describes his reaction as discouraging: "Salzburg was too much oriented to music, too small. The museum would have to be in the old city, as in Venice — no one would go to the outskirts — and that seemed impossible without damaging the urban environment."

Unger persisted and benefited from a fluke. The then Bürgermeister, Josef Reschen, launched an international competition for an expansion project of the city's history museum, the Carolinum Augusteum. Remembering the idea put forward in the 1971 by Gerhard Garstenauer for a cultural center, Hollein designed an structure to be excavated inside the Mönchsberg, leaving the city skyline intact. The superb piece of avant-garde 20th-century spatial design won by several lengths. The only hitch was that it was five times the size required. On seeing the competition display in May 1989, Unger had an inspiration. This was the perfect Guggenheim-in-Salzburg.

Unger's luck was that Krens, who was coming at that time to deliver a final no, also saw Hollein's project. It triggered visions in his mind as it had in Unger's. He admired "the sheer grandeur of the space" as he put it in a telephone interview. "There was reasonable expectation to have suitable hanging space for every sort of exhibition. I was captured by the idea of a museum with no face. This was an apt metaphor for content rather than surface." In the light of recent developments in Eastern Europe, the geographical location on the edges of southern Germany and next to the former East-bloc countries that had contributed so much to 20th-century art was ideal.

Internal factors also argued for a positive response to the Salzburg project. "The expansion program in New York has been a brutal experience. It is clear we will never be able to acquire adjacent space. We have been challenged from every viewpoint, from Frank Lloyd purists [opposing additions to the 1959 monument] to neighbors [who do not want their view blocked]." Yet, expanding is urgently needed. "We have eight locations around Manhattan [because the Guggenheim offers virtually no storage facilities]. We show 3 percent of our collections. At least another 10 percent should go on view. We have a program whereby we send part of our collections around the States for two-year periods."

But why Europe? "We are already a European institution. In the last 10 years the collection in Venice [of the late Peggy Guggenheim, Solomon's niece, who bequeathed it to the foundation] has been metamorphosed from a private collection into a public museum. With a 3,000-square-foot (280-square-meter) space, it receives 180,000 visitors a year."

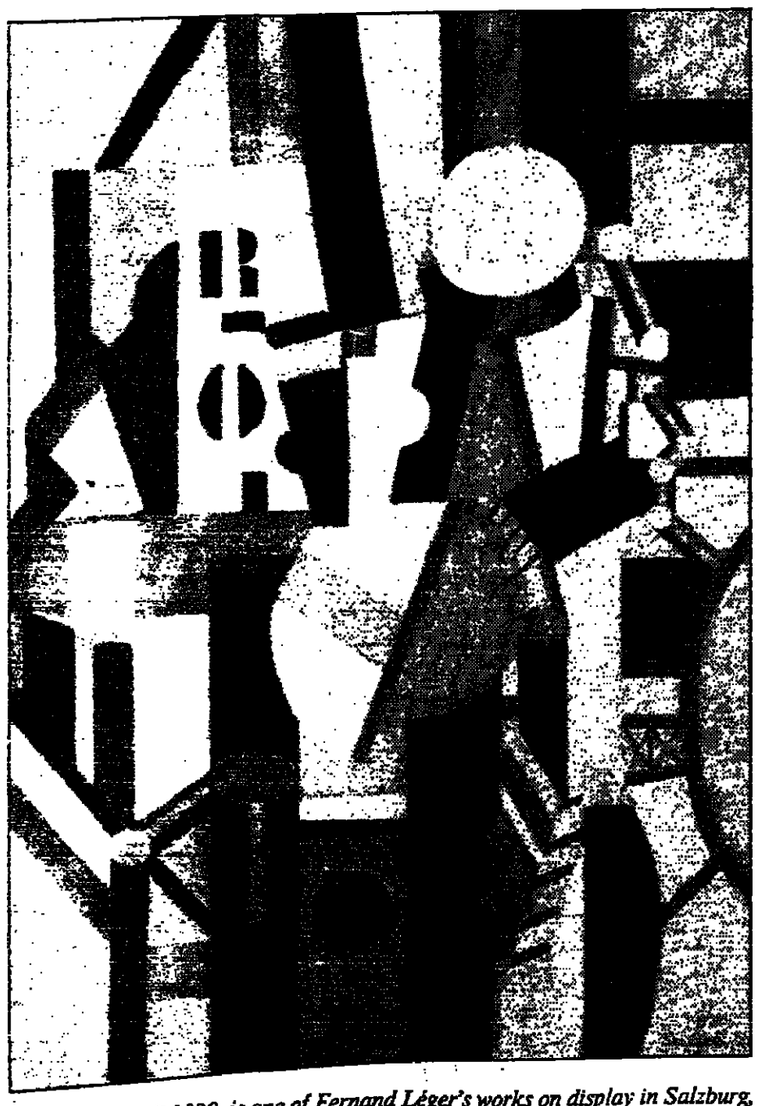
KRENS'S answer to Unger was short. "If that is what you have in mind, the Guggenheim is interested in becoming a partner." Such a huge project could not concern just the city. In a meeting arranged with Austrian Chancellor Franz Vranitzky last September, Krens asked if he could get a letter expressing government support before submitting the idea to the trustees.

Meetings followed with ministers. Krens suggesting that a feasibility study was indispensable at that stage. On Dec. 4, Erhard Busek, minister for science and research, appointed a commission. The study, analyzing all the implications, from the technical requirements and financing to the impact on the city, was printed in time for the opening of the exhibition.

The cost estimate stands at about 900 million schillings, roughly $82 million. Krens says Busek and Helmut Haschek, president of the Society of the Fine Arts Friends, have told him the government would be prepared to put up 500 million to 600 million schillings. Vranicky has called for a meeting in early September between the major players. Then, Krens hopes, he will present a contract project to the trustees.

In the background, some essential spadework is being carried out by the Salzburg Guggenheim Advisory Board, set up in July by Thomas Salis, a Salzburg dealer in modern art; Roman Herzig, Austria's foremost dealer in Old Masters, and their friend Thaddaeus Ropac. "We are looking for another 46 people to join us around the world," Herzig explains. A natural optimist, he wants to enroll sponsors to underwrite the remaining $30 million or so.

"We must build up the image of the Guggenheim in Salzburg," he adds. So far they have brilliantly succeeded.



"Composition," 1920, is one of Fernand Léger's works on display in Salzburg, an exhibition that includes paintings, drawings and watercolors.

An Exquisite Sampling Of Léger

International Herald Tribune

SALZBURG has firmly espoused the cause of modern art. Its leading modern art gallery, the Galerie Salis, is inaugurating new premises at Imbergstrasse 25 in the Weinkamer Haus with an exquisite exhibition of Fernand Léger's work. Organized in collaboration with Artemis of London, it includes a handful of works of a high order.

Leaping off the walls, a large "Composition" of 1920 is in subtle shades of cobalt blue, carmine red, mauve maroon, off-whites, grays and brownish blacks that tone down the severity of the Cubist shapes.

The other highlight is "Deux Danseuses aux clefs." Dated 1929, it shows, as the title, suggests two nude figures dancing away from a kind of oversized painter's palette. Keys done in the same white and gray hues as the dancing bodies similarly hover over the palette. There is a whiff of Picasso influence to it and a strong touch of Surrealism. Salis, using a metaphor drawn from printmaking, calls it the "first state" of the well-known series on this theme.

Two years later Léger, taking greater interest in volume, was giving related Surrealist compositions a strongly shaded relief and creating strange perspective effects, illustrated by a work such as "Composition à la feuille."

A small group of drawings and watercolors in a room on the first floor adds an unexpectedly lighthearted touch, coming from an artist such as Léger. A little masterpiece of 1920 incorporates two silhouettes handled in robot fashion in lightly shaded olive-gray and white. There is a finely produced catalogue that gives just about the neatest biography of the artist in compact form.

The exhibition is on through Sept. 15 and the works already sold remain on view. These include the ravishing Cubist still life in pencil dated 1926 that was sold this week for 1.4 million schillings (about $125,000), as well as "Le Constructeur," a cheerful figural silhouette of a workman holding a bottle, done in 1951, which went for 1.7 million schillings.

—SOUREN MELIKIAN

ART EXHIBITIONS

FRANCE
GALERIE DAMIEN
5, RUE BONAPARTE 75006 PARIS - Tél. 43 25 05 22
ERTÉ
© sevenarts
"HOMMAGE"

FRANCE
GALERIE MERMOZ
PRE-COLUMBIAN ART
9, Rue du Cirque, 75008 PARIS. Tel.: (1) 42.25.84.80.

CARPETS & TAPESTRIES
Manufacture in Aubusson, France
Galerie robert four
Antique & Contemporary creations from Picasso, Magritte, Modigliani, Klee, Folon, Toffoli, Nini Anker.
Purchase & Sale
Restoration - Expertise
Estimations, Transport & Insurance free.
26, rue Bonaparte, 75006 Paris. Tel.: 43.29.30.60. Telex: 210 958 F. Fax: 40.20.94.58. Toll free: 05.00.90.93.

SWITZERLAND
ALBERTO GIACOMETTI
Sculptures - Paintings - Drawings
GALERIE BEYELER
Bäumleingasse 9, 4001 Basel.
Tel.: 061-23 54 12, Fax: 061-22 96 91.

VALLAURIS
HOMMAGE A JACQUELINE
Picasso
21 JUILLET - 10 SEPTEMBRE
GALERIE SASSI MILICI
65bis, AV. GEORGES-CLEMENCEAU 06220 VALLAURIS
TELEPHONE (93) 64 65 71

UNITED KINGDOM
ZAMANA
'Tigers Round the Throne - The Court of Tipu Sultan (1750-1799)
2 August - 14 October
Zamana Gallery & Bookshop
1 Cromwell Gardens, SW7 (Opp. V&A Museum)
Tel.: 071-584 6612. Tue-Sat. 10-5:30; Suns 10-1 p.m.

HANS HOFMANN
1880-1966
A SELECTION OF 35 PAINTINGS AT
CRANE GALLERY
171A SLOANE ST, LONDON, SW3
TEL.: 071-235 2161
DAILY 10-6. SATS 10-1
EXTENDED UNTIL 15 AUGUST
Notable Hofmann Retrospective Exhibitions:
Metropolitan Museum, New York
Museum of Modern Art, New York
Tate Gallery, London
Guggenheim Museum, New York
currently:
Whitney Museum, New York.

COLLECTOR'S GUIDE

HARRY FANE
wishes to purchase old
CARTIER
objects:
clocks, cigarette cases, pen der boxes, desk accessories, photo frames, etc
Please contact:
OBSIDIAN, London
Tel: 01-930 8606 Fax: 01-499 6755

NYSE

Friday's Closing

Tables include nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on page 11)

Herald Tribune. INTERNATIONAL

BUSINESS/FINANCE

ECONOMIC SCENE

Lorenzo Finishes Ahead In Deal for Continental

By Floyd Norris
New York Times Service

NEW YORK — In walking away from the tottering airline empire he created, Frank A. Lorenzo has arranged a far better deal for himself than is available to other shareholders. The deal announced Thursday in which Scandinavian Airlines System increased its stake in Continental Airlines Holdings Inc., as Texas Air Corp. is now known, allowed Mr. Lorenzo and his longtime allies, among them Carl R. Pohlad, the banker and owner of the Minnesota Twins baseball team, to bail out at $14 to $18 a share.

The rest of the shareholders are left with stock now selling for less than half that. On Thursday, Continental's share price rose $1.75, to $6.25, on news of Mr. Lorenzo's departure and the SAS investment.

'We're selling and being denied the upside here. Our shareholders are not.'

Mr. Lorenzo, who has guided Continental to year after year of losses, walks away with $27.8 million in cash, plus a salary of $75,000 a month for the next three years, for a total of $2.7 million.

That raises the total package to $30.5 million. He retains options to buy 783,333 shares of Continental, at about $6 a share.

At a news conference, Mr. Lorenzo expressed no guilt over the fact that he is getting a price not available to other shareholders, to whom he had a fiduciary responsibility as chairman and chief executive.

"We're selling and being denied the upside here," he said. "Our shareholders are not."

Later, in an interview, he added that public shareholders "could have sold from $14 to $21" last year. The unexpressed sentiment was that it was just too bad for them that they did not.

Most of Mr. Lorenzo's holdings in Continental stem from his control of Jet Capital, which is being acquired by SAS at a price that works out to about $18 for each Continental share.

Mr. Pohlad will get about $2.6 million from his holdings in Jet Capital, and Robert D. Snedecker, another senior Continental official who will be stepping down, will get $1.5 million.

In a statement distributed by the company, Mr. Pohlad praised Mr. Lorenzo.

FRANK HAS PROVIDED an entrepreneurial spirit and dynamic leadership to this company for many years," Mr. Pohlad said. "Our board appreciates his vision and tireless efforts, which have benefited not only Continental and its people, but the entire traveling public."

The statement identified Mr. Pohlad as a director of Continental, but did not mention his own stake in Jet Capital.

Over the years there have been repeated business dealings between Jet Capital and Continental, which have usually had the effect of sapping cash from Continental.

In one transaction, Continental sold shares in Eastern to Jet Capital after the takeover was announced, and then bought them back for a $25,000 profit for Jet Capital.

Now Mr. Lorenzo and Jet Capital are out of management at Continental, although Mr. Lorenzo will stay on as a director. And the company will effectively be under the guidance of SAS, which will raise its stake from 9.9 percent to 16.8 percent of the stock and get 18.4 percent of the votes.

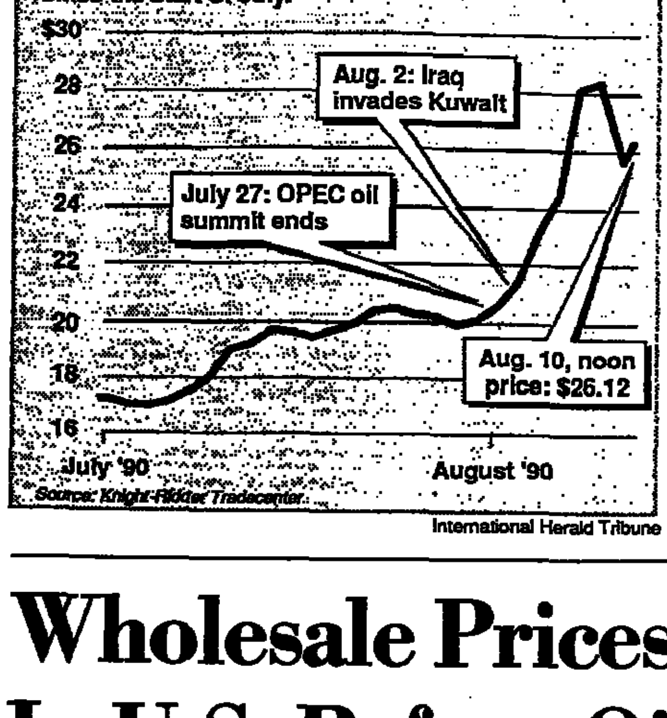
SAS hopes to push Continental to a posture of higher effective fares, a person close to SAS said. The Scandinavian carrier was also concerned about the state of Continental, which has an arrangement with it to exchange passengers and coordinate schedules.

Mr. Lorenzo established a reputation as an airline entrepreneur in the early 1970s when he and associates took over the bankrupt Texas International Airlines and used a low-fare strategy to make it successful.

Continental's growth in the 1980s was largely profitless. Revenue rose from $291 million in 1980 to a peak of $8.6 billion in 1988, but the company lost money in six of the 10 years.

Impact on the Market

The price for a barrel of crude oil for September delivery on the New York Mercantile Exchange since the start of July.



Source: Knight-Ridder Tradecenter.
International Herald Tribune

Gulf Embargo Could Be Soviet Windfall

By Steven Greenhouse
New York Times Service

PARIS — The sharp rise in oil prices resulting from Iraq's invasion of Kuwait will give a windfall to the Soviet Union, the world's leading oil producer.

At the same time, it will create havoc for the fragile economies of Eastern Europe, which depend heavily on imported oil.

If the prices stick, they will bring a much-needed increase in hard-currency earnings to the Soviet Union, and help Moscow's leaders provide more consumer goods to the restive Soviet public.

But for Hungary, Poland and other Eastern European countries, the upswing in oil prices will make their road to a market economy more treacherous, aggravate their debt crises, fuel public discontent about price increases and make times still harder for their obsolete, energy-guzzling industries.

"An increase in oil prices could be salvation for the Soviet Union," said Jan Stankowsky, an expert on Eastern European trade at the Institute for Comparative Economic Studies in Vienna.

"On the other hand, the present situation could be a tragedy for the smaller Eastern European countries. They don't have the money to pay the present world market price for oil."

The Soviet Union, which produces 12 million barrels of oil a day — twice as much as Saudi Arabia and a sixth of world output — exports 20 percent of it.

Half of the Soviet oil goes to the West and the rest to Eastern Europe. Czechoslovakia gets 98 percent of its oil from the Soviet Union and Poland 93 percent.

The Soviet Union earned about $20 billion in hard currency from oil exports last year, 40 percent of its hard-currency earnings.

It is still not clear how large the boon to the Soviet Union will be.

Kommersant, a Moscow-based business newspaper, estimated this week that the jump in oil prices from $16 a barrel before the Iraqi invasion to almost $26 a barrel could increase Soviet hard currency revenues by $750 million by the end of the year.

But Gary N. Ross, president of consulting services at the New York-based Petroleum Industry Research Associates, said the windfall for the Russians could be even greater.

Since they export 1.3 million barrels a day to the West, the price rise could mean $13 million additional every day, or almost $400 million extra a month.

For Eastern European countries the story is different, because on Jan. 1 these former Soviet satellites are to begin paying for their Soviet oil in hard currency, with the price pegged to the world market.

This will replace the system under which Moscow allowed Soviet bloc members to buy oil at prices below the market.

"The Soviet Union was going to gain something from this, and now they are going to gain even more," said Joseph P. Tragert, an economist with PlanEcon, a Washington-based consulting group.

Petroleum industry experts say that despite the higher prices, the Soviet Union will not be able to increase production quickly enough to help offset the worldwide shortages of 4 million

See WINDFALL, Page 11

Wholesale Prices Eased In U.S. Before Oil Crisis

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. wholesale prices in July edged down 0.1 percent, the government said Friday, in a report seen by analysts as the last respite from inflation before the Middle East crisis sent oil prices soaring.

The slight, seasonally adjusted decline in the Labor Department's Producer Price Index for finished goods, one stop short of retail, followed moderate gains of 0.2 percent in June and 0.3 percent in May.

The drop in July was even better than the 0.1 percent or 0.2 percent rise expected by most economists.

"Obviously this number is history," said Donald Ratajczak, an economist at Georgia State University. "But what it shows is that heading into the oil shock, inflation was tame."

Wholesale prices, which soared in January when a cold snap sent fuel oil and vegetable costs spiraling, have remained virtually unchanged from February through July, helped by six consecutive drops in energy costs.

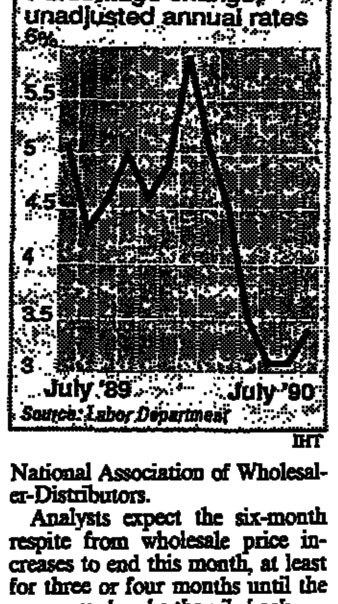
For the first seven months of the year, wholesale prices advanced at an annual rate of 3 percent, down sharply from the 4.8 percent increase for all of last year.

However, in a disclaimer on Friday's report, the Labor Department noted that prices were surveyed in mid-July, before the Iraqi invasion of Kuwait.

"The numbers almost appear like the calm beach scene before the shark in 'Jaws' arrives," said Ron Schreibman, vice president of the National Association of Wholesaler-Distributors.

Producer Price Index

Percentage change, unadjusted annual rates



Source: Labor Department
IHT

Analysts expect the six-month respite from wholesale price increases to end this month, at least for three or four months until the economy absorbs the oil shock.

Crude oil prices, which averaged around $20 a barrel in July, have pushed past $25 since the invasion and gasoline prices are reported up as much as 16 cents a gallon at many U.S. service stations.

However, energy prices were down 0.5 percent in July after a 0.9 percent drop a month earlier. Gasoline prices fell 5.3 percent, while they rose 6.6 percent for natural gas and 0.4 percent for fuel oil.

Although analysts expect the shock from oil prices to be felt through the fall, they are unsure of the long-term effects.

"One of the questions we have to ask is if the increase will stick or whether it will reverse itself," said Samuel Kahan, chief financial economist at Fuji Securities Inc. "We should not willy-nilly assume it will stick."

If crude oil prices persist at $25 a barrel it will add about 1 percent to the U.S. inflation rate, he said.

But Mr. Kahan said oil supplies from producers outside the Gulf, such as Venezuela and Mexico, should eventually increase and help compensate for conflict-induced shortages.

Moreover, the weakening economy should take the steam out of inflation in other sectors of the economy, Mr. Kahan said. The economy, as measured by the gross national product, grew at an anemic 1.5 percent annual rate during the first half of the year.

The weakness is finally showing up in the job market, which should help curb the most persistent area of inflation, the price of services.

The Federal Reserve Board is not expected to adjust monetary policy based on the July PPI report, but the data provide more fuel for a lowering of interest rates.

"The Fed's not going to move on this number alone," said Kristin Foster, money market economist at Citicorp Investment Bank. "It's one more building block toward an eventual Fed easing."

(AP, Reuters)

Oil Prices Turn Up On Threats

Compiled by Our Staff From Dispatches

LONDON — Saddam Hussein's call for an Arab uprising against the United States frayed oil market nerves on Friday and petroleum prices turned upward.

In London, September futures for the world benchmark crude, Brent Blend from the North Sea, rose to $25.50 a barrel. This was up 75 cents over Thursday's close.

Crude oil on the New York Mercantile Exchange for September delivery rose 58 cents to close at $26.25.

Prices, however, were off from nearly $30 earlier in the week.

In other developments:

- Industry officials said in Manama, Bahrain, that Iran had sold millions of barrels of oil in the past few days from its floating storage tankers on the high seas.

They reported that Iran may have sold at least 10 million barrels, or as much as 26 million barrels, over the past five days to Japanese and Asian clients, making up for a substantial part of the shortage in world oil markets due to the embargo of exports from Kuwait and Iraq.

- President Carlos Andrés Perez of Venezuela has further encouraged consumer hopes that some members of the Or-

See OIL, Page 10

N.Y. Stocks Sink On Iraqi Comments

Compiled by Our Staff From Dispatches

NEW YORK — A call by Iraq's leader for Arab unity sparked new fears that hostilities in the Middle East would escalate and sent the leading index of the New York Stock Exchange down 55 points in early trading before it slightly recovered later in the day.

The Dow industrials recovered because the early drop triggered one of the market's circuit-breakers, a rule that prohibits program selling that would further destabilize the market once the index shows a loss of 50 points.

The Dow Jones average of 30 industrial stocks plunged 42.33 points to close at 2,716.58. The broader New York Stock Exchange Composite index fell 2.09 points to 184.15.

Declining issues outnumbered gainers ones by about a 5-to-2 margin. Volume totaled 145.3 million shares, compared with 125.0 million shares traded on Thursday.

Traders said that the remarks by President Saddam Hussein signaled for the first time that Iraq's intentions are wider than the annexation of Kuwait.

The Iraqi president's speech, which was broadcast on national Iraqi television and read by an unidentified announcer, upset a market that was beginning to find its equilibrium.

In reference to the U.S.-led multinational military presence in nearby Saudi Arabia, the Iraqi leader called on all Arabs to "condemn the invaders and collaborators" and to seize Islam's holiest shrines, which lie within Saudi borders.

Analysts had expected the market to turn lower on Friday as traders cashed in on the gains of the previous two sessions and lightened up their stock holdings to protect against any surprises overseas during the weekend. But Mr. Hussein's speech was a catalyst for further selling, even though Arab leaders meeting in Cairo denounced Iraq's invasion of Kuwait.

Mr. Hussein's speech, which included a call for a *jihad*, or holy war, and the closure of the Suez Canal, sent stock prices down on the main international exchanges as well.

Nonethelesss, there was no apparent move by the Iraqi leader toward open warfare with American forces deployed to block an offensive on Saudi Arabia. Diplomatic efforts by Egypt and other Arab nations continued, although initial discussions proved fruitless.

After President Hussein's comments, the financial markets hunkered down for an uncertain weekend.

On the London Stock Exchange, prices closed lower as Middle East news overshadowed genuine interest in the marketplace.

The blue-chip Financial Times 100-stock index lost 11.1 points to end the day at 2,233.8. It had gained 7.4 points Thursday.

Analysts said large institutional investors shunned new positions ahead of an uncertain weekend, and some sold off.

Elsewhere in Europe, stock prices on the Frankfurt Stock Ex-

See STOCKS, Page 10

CURRENCY RATES

Cross Rates

Aug. 10

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.80	3.3405	1.1269	0.3357	0.1507*	—	5.424*	1.3381	1.1982*	1.569	1.836*
Brussels	32.865	61.4225	20.571	6.1335	2.8075*	18.2735	—	24.4505	0.2192	28.6775	33.587*
Frankfurt	1.5975	2.984	—	0.2979	0.1364*	0.8875	4.856*	1.1876	1.064*	1.3912	1.629*
London (a)	1.873	—	2.9755	9.9808	2,190.50	3.3403	61.13	2.506	280.46	2.1580	182.45
Madrid	98.092	183.249	61.40	18.283	8.271*	54.485	2.9835	72.87	65.285*	85.47	—
Milan	1,171.15	2,187.25	733.59	218.53	—	651.85	35.421	878.98	7.811	1,020.40	11.953
New York (b)	—	1.8725 a	1.591	5.3375	1,166.80	1.7913	32.885	1.3385	150.45	1.1469	97.495
Paris	5.3675	10.017	3.3576	—	0.4576*	2.9818	16.317	3.986	3.575*	4.6785	5.47*
Tokyo	149.78	280.31	93.91	28.83	0.1284	83.38	4.5806	111.63	—	130.61	1.534
Toronto	1.1488	2.1473	0.7212	0.2151	0.985*	0.6409	3.586*	0.8558	0.7622*	—	1.173*
Zurich	1.346	2.513	0.8426	0.2512	0.1149*	0.7476	4.0931*	—	0.8965*	1.1711	1.3725*
1 ECU	1.2949	0.6936	2.0692	6.9443	1,517.83	2.3315	42.6809	1.7429	194.423	1.4869	126.987
1 SDR	1.3615	0.7286	2.1749	7.3076	N.Q.	2.4586	44.7713	N.Q.	203.809	1.5644	133.547

Closings in London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m.
a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5605.1	Greek drac.	154.85	Mex. peso	2873.00	S. Afr. rand	2.5943
Austral. $	1.2531	Hong Kong $	7.7725	N. Zealand $	1.6589	Soviet ruble*	0.5757
Austr. schil.	11.23	Indian rupee	17.421	Norw. krone	6.1675	Swed. krona	5.844
Brazil cruz.	71.30	Indo. rupiah	1852.02	Phil. peso	23.76	Taiwan $	26.99
Chinese yuan*	4.72	Irish £	0.5954	Port. escudo	140.35	Thai baht	25.62
Danish krone	6.0955	Israeli shek.	2.01	Saudi riyal	3.747	Turkish lira	2652.52
Egypt. pound	2.7134	Kuwaiti dinar	Susp.	Sing. $	1.8045	UAE dirham	3.6575
Fin. markka	3.7565	Malay. ring.	2.699	S. Kor. won	716.40	Venez. boliv.	49.22

New York rates unless marked * (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8558	1.8452	1.8352	Canadian dollar	1.1536	1.1587	1.1629
Japanese yen	150.08	150.07	150.07	Swiss franc	1.3442	1.3431	1.3416
Deutsche mark	1.5976	1.5970	1.5959				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 10

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	7 ¾-8 ⅛	8 ¾-8 ⅞	8 ¾-8 ⅞	14 ⅞-15	9 ⅝-9 ¾	7½-7⅝	10-10⅛	8 ⅝
2 months	7 ¾-8 ⅛	8 ¾-8 ⅞	8⅞-9	14 ⅞-15	9 ⅝-9 ¾	7 9/16-7 11/16	10 ⅛-10 ¼	8⅝
3 months	7⅞-8	8⅞-8½	8 ⅞-9 ⅛	14 ⅞-15	9⅞-10	7⅝-7¾	10¼-10⅜	8⅝.
6 months	7⅞-8	8⅞-8⅝	9-9⅛	14⅞-14 ⅞	10-10⅛	7 ¾-7 ⅞	10⅜-10½	8 ¾
1 year	7 ⅞-8 ⅛	8⅞-9	8 ⅞-9 ⅛	14 ¾-14⅞	10⅛-10¼	7 ⅞-8 ⅛	10½-10⅝	9

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 10

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8.00	8 1/16
Com paper 90-179 days	7.40	7.37
3-month Treasury bills	7.37	7.39
6-month Treasury bills	7.29	7.28
1-year Treasury bills	7.15	7.15
30-year Treasury bond	8.78	8.77
3-month CD's	7.85	7.80
6-month CD's	7.80	7.80
Japan		
Discount rate	5¼	5¼
Call money	7 13/32	7½
3-month interbank	7¾	7¾
6-month interbank	7¾	7 21/32
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.05	8.10
1-month interbank	8.25	8.30
3-month interbank	8.45	8.50
6-month interbank	8.60	8.65
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15.00
3-month interbank	15.00	15.00
6-month interbank	14 29/32	14 29/32
France		
Intervention rate	9½	9½
Call money	9 9/16	9 11/16
1-month interbank	9 11/16	9¾
3-month interbank	10.00	10.00
6-month interbank	10⅛	10 3/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Aug. 10

1 month	7 13/16 - 8 1/16
2 months	7 15/16 - 8 1/16
3 months	7⅞ - 8
6 months	7⅞ - 8
1 year	7 15/16 - 8 1/16

Source: Reuters.

U.S. Money Market Funds

Aug. 10

Merrill Lynch Ready Assets
30-day average yield: 7.69
Telerate Interest Rate Index: 7.785
Source: Merrill Lynch, Telerate.

GOLD

Aug. 10

	A.M.	P.M.	Ch'ge
Hong Kong	386.95	388.75	+4.70
Luxembourg	388.75	—	+4.30
Paris (12.5 kilo)	390.91	390.27	+1.19
Zurich	388.05	389.35	+5.85
London	388.75	389.35	+5.75
New York	—	396.50	+10.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Japanese Purchases of Iranian Crude Are Likely to Increase

Compiled by Our Staff From Dispatches

TOKYO — Japanese companies are likely to boost imports of Iranian crude oil under term contracts for the fourth quarter of this year to pick up some of the slack caused by the embargo on Iraqi and Kuwaiti oil, industry sources said Friday.

Officials said that Iran's ambassador to Japan has pledged to make up any shortfalls in oil supplies caused by sanctions imposed on Iraqi and Kuwaiti crude imports. The ambassador, Hossein Kazempour Ardebili, made the assurance Thursday in a meeting with Kenjiro Ogata, director general of the government's Natural Resources and Energy Agency, a spokesman for the Iranian Embassy in Tokyo said.

The spokesman said Iran will provide Japan with 700,000 barrels a day to cover the 420,000 barrels normally sent by Iraq and Kuwait. Iran supplied 7.4 percent of Japan's oil in the first half of 1990. Iraq and Kuwait supplied about 12 percent.

Japan joined the United States and other Western allies Monday in imposing sweeping sanctions against Iraq over its invasion and seizure of Kuwait. The sanctions also apply to Kuwait because of Baghdad's occupation of the oil-rich emirate.

Jiji Press reported that Nippon Oil Co., Idemitsu Kosan Co., Cosmo Oil Co., and other major Japanese oil firms have bought more than 10 million barrels of crude, mostly from Iran, but also from Oman and the United Arab Emirates.

But National Iranian Oil Co., which has strongly backed a tightening of global oil supply, is expected to ask higher prices for the new oil, traders said.

Japanese refiners have bought at least three very large crude carrier cargoes, or about six million barrels, of Iranian crude oil from NIOC on a spot basis to make up for the shortage of Iraqi and Kuwaiti oil.

They are estimated to have paid premiums of around 60 cents for Iranian Light and $1 for Iranian Heavy over Iran's term price formulas for Japanese customers.

Japan's Ministry of International Trade and Industry has urged Japanese firms not to rush into spot crude purchases for fear of sharp oil-price upturns.

To secure oil supplies in the current emergency situation, MITI appears to have relaxed its restrictions on Iranian oil imports, the industry sources said.

The ministry has been issuing unofficial guidelines on Iranian crude oil imports by Japanese companies since January 1988, after the United States banned Iranian oil imports in October 1987 because of Iranian attacks on Gulf shipping and its refusal to accept a cease-fire with Iraq.

Iran has not notified customers of its price formulas for September yet, although Saudi Arabia raised its September price formulas to Far East customers by 35 cents a barrel across the board, Japanese term customers said.

But they said NIOC is expected to ask for larger increases in its crude formulas than Saudi Arabia to take advantage of sharp rises in spot crude prices since late last week and higher demand for its oil.

Iranian Light is priced at the average of Oman spot market quotations minus 25 cents, and Iranian Heavy at the average of Dubai crude quotations minus $1.15 for July and August.

Japan's term purchases of Iranian crudes dropped to around 220,000 barrels per day in the third quarter from around 275,000 barrels in the first quarter, reflecting a preference for light crudes. Iran produces medium- and heavy-type crudes.

Other Asian nations are also looking to Iran.

The Philippines has entered into a new contract with Iran to obtain 20,000 barrels per day of crude. The scheduled August delivery from Kuwait of 720,000 barrels of crude to the Philippines would now be provided by Iran.

A senior Thai delegation has left for Tehran to seek higher crude imports from Iran. Kuwait supplied about 8 percent of the 350,000 barrels per day of crude and refined oil products Thailand imported last year, while Iran provided 2.3 percent.

Taiwan's state-owned Chinese Petroleum Corp. said it is negotiating possible purchases from Iran, Nigeria, Oman and Gabon. *(Reuters, AFP, UPI)*

Imports Fuel Large Fall In Surplus

Compiled by Our Staff From Dispatches

TOKYO — Japan's trade surplus fell in July, and economists said the imbalance had resumed a declining trend and would probably continue falling for the rest of the year.

The customs-cleared surplus fell to an unadjusted $5.38 billion in July, from $6.00 billion a year earlier, and to an adjusted $4.76 billion from $6.89 billion in June, the Finance Ministry said.

The smaller surplus largely reflected a surge in imports from Europe — mainly of paintings and luxury cars — and a marked slowdown in exports to the United States.

"The July data show the trade surplus is still declining and the trend should continue downward," said Masaru Takagi, chief economist at Fuji Research Corp.

In June, a leap in exports widened the surplus by more than 27 percent, prompting fears it might start to expand once more.

Analysts said the June figure was an aberration caused by temporary factors. Another increase is unlikely in the coming year, especially in the light of higher oil prices spurred by the Gulf crisis.

July exports climbed 1.8 percent overall, to $23.89 billion, from $23.46 billion a year ago, and economists attributed much of the growth to the yen's continued weakness. Exports were calculated at a rate 10 yen lower, at 151.64 yen to the dollar against 141.54 yen a year ago, the Finance Ministry said.

But exports to the United States fell 7.2 percent, to $7.51 billion, from $8.10 billion a year ago. The overall trade surplus with the United States dropped by 20.6 percent from the previous year. A sluggish U.S. economy and increased production by Japanese companies in the United States were behind the drop, economists said.

Despite the weaker yen, imports from the European Community surged 36.4 percent, to $3.19 billion, against the previous year's $2.34 billion, as Japan showed a continued appetite for luxury European cars. Imports of paintings, which have shown a steady rise in recent months, were also a key factor in the July data, a ministry official said. *(Reuters, AFP)*

Conoco's Traders Scramble for Fleeting Profits

By Matthew L. Wald
New York Times Service

HOUSTON — Lately, the days in the oil trading room at Conoco Inc. start with the intensity of a space shuttle launching combined with a horse race.

A voice over a loudspeaker counts down the seconds to the opening, and in staccato fashion reels off the buy and sell orders.

Then the trading specialists who fill the room, elbowing for space amid the banks of glowing computer screens, bark orders laden with elaborate contingencies: buy at one price, sell at another; buy or sell options; buy oil and sell gasoline simultaneously, or the reverse.

Like the other major U.S. oil companies, Conoco has its own trading room, which works through broker at the New York Mercantile Exchange and other exchanges.

Traders here try to hedge against future swings in oil prices, to buy oil and gas for current operations and to dispose of surplus product.

The pressures are always high, but with prices moving 15 percent in a single day, lately it is treacherous.

Companies are hastily deciding whether to buy now and avoid higher prices later, or bet that prices will be lower soon and take the risk of passing up what will later be seen as bargains, or perhaps letting their refineries run dry.

"The market is ready to go like this," said Tom DeCola, a spokesman, jerking his thumb toward the ceiling, "or like that," he said, turning his thumb toward the floor.

On Thursday, in fact, it seemed likely it would do both.

Those operating here are more likely to trade what are known as "wet barrels," that is crude oil for immediate delivery, rather than the more common "paper barrels" of options contracts traded on the exchanges.

Within the industry, Conoco's traders are known for their sophistication.

Their room is dominated by a poster showing a motto chiseled in stone: "Risk not thy whole wad."

On a blackboard across the room, someone had written a recent quote from President Saddam Hussein of Iraq: "Cutting necks is better than cutting the means of living."

Aware of the public outrage at the sudden increases at the gasoline pumps, oil company executives said that these are very hard times for them, too.

For Conoco, a subsidiary of E.I. du Pont de Nemours & Co. that refines about 400,000 barrels of oil a day — about four times as much as it produces — staying profitable depends on not buying at the peak and then producing a product that will sell in a price trough.

"I wish we had the control that people attribute to us," said Constantine S. Nicandros, Conoco's president and chief executive.

The company gains a measure of stability by being in both the producing and refining businesses, since in turbulent times, if one part of the business is becoming less profitable, the other is becoming more so.

But it cannot stabilize the price of gasoline by paying less than the market price for oil that the drilling half of the company pumps, he said, because landlords who get royalty payments and states that collect severance taxes would sue.

And if it holds wholesale gasoline prices at a level lower than the market, the company's tanks would be sucked dry in hours, Mr. Nicandros said.

Price changes ripple through the oil industry quickly now, but lately Conoco has been trying to avoid risk by cutting the time to zero, settling on a price for oil when it is delivered, rather than signing contracts at a fixed price for delivery later.

"You can get killed on term stuff," Mr. Nicandros said. "You can no longer say 'I'm going to buy oil for next year at $27.'"

In a few weeks, that decision could look brilliant or stupid, executives say, yet Mr. Nicandros insists, "We are not gamblers."

But the company has always bought a small part of its oil that way, and is always buying and selling to make supply meet internal demand.

Thursday morning, Harry M. Miller, manager of refinery supply, recalculated his needs for September and the supply that would come from independent producers with whom Conoco has longstanding relationships, and the price that oil was being sold for on the Mercantile Exchange for delivery next month. A rumor was crossing the floor that Colonel Moammar Gadhafi, the Libyan leader, was going to ally himself with Mr. Hussein, possibly by taking Libyan oil off the market, and the price was rising.

Mr. Miller decided to sell 200 contracts, each to supply 1,000 barrels of oil. The price on the monitor showed $26.25 a barrel.

"Sell 50 Septs at 30," he told an assistant who was sitting at a keyboard and a telephone. Translated, these industry terms mean that a sell order had been placed to sell the contracts for delivery in September at $26.30.

"Fifty Septs at 30," said the assistant to a broker in New York.

Why sell? "I just think this is a good time," Mr. Miller said. As he spoke, the price jumped to $26.40 on the monitor. Conoco sold 50 more. Then the price went to $26.50, and Conoco sold another 50 contracts.

Mr. Miller had thought of selling the previous night, at a price 30 cents lower, but decided to wait.

The delay, based in part on insight, in part on instinct and — as it turned out — in part on luck, saved his company $45,000.

"Two days ago, I could have sold some at $29.80," said Mr. Miller. That would have made $4 million. "Earlier this morning I could have sold at $25.35. We don't know."

In the short term, his decision was good: within five minutes, the price was back down to $26.30.

The volatility recalled the maxim of Andy Warhol that in the future, everyone will be famous for 15 minutes. Here, it is that they will be profitable for that long.

Mr. Miller's transaction was simple compared to others carried out Thursday.

Computers tracked the difference between prices for crude oil, and for the products made from it, gasoline and heating oil.

If the difference is large, companies whose business is to

See CONOCO, Page 11

MARKET DIARY

STOCKS: *Iraqi Call Hits Prices*

(Continued from first finance page)
change closed slightly lower in thin trading.

The closely watched DAX index, which gained 31.95 points Thursday, slipped 6.29 points to 1,749.34 as traders continued to exercise caution because of the continuing unrest in the Persian Gulf.

French share prices closed nearly unchanged in nervous trading, with many traders anxious to square positions ahead of the weekend.

The CAC-40 index finished at 1,779.83 against Thursday's close of 1,779.86, after hitting a low of 1,769.68 on the back of Wall Street's lower start.

Earlier in Tokyo, stock prices continued to decline in very light trading as investors sought safe positioning.

The blue-chip Nikkei average of 225 selected issues, which Thursday plunged 893.41 points, or 3.1 percent, fell another 286.18 points to end the week at 27,329.55. It was the Nikkei's lowest close since Oct. 24, 1988.

"This market is basically in a wait-and-see pattern," said a Japanese trader.

In New York, a rise in oil prices early in the day helped pressure stocks. Oil prices rose further in afternoon trading, when crude oil futures for September delivery were up 69 cents.

The recent surge in oil prices negated what would normally be considered good economic news for the market. Producer prices edged down 0.1 percent in July as energy costs fell for a sixth straight month, but the statistics were compiled before the start of hostilities in the Arab world.

Analysts, who predicted a 0.2 percent rise in July's producer prices, said they expected a significant jump in August in the wake of the Iraq crisis and higher gasoline prices nationwide.

(AP, UPI, Reuters)

Dollar Ends Weaker Vs. Most Currencies

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended weaker against most major currencies except the yen on Friday, as diplomatic efforts took the Middle East crisis off the boil and left room for technical moves.

Gold surged by $10 on the spot market and by more than $11 on the futures market, as investors hedged against high political risks. Spot gold's price of $396.50 an ounce was the highest seen in five months.

Setting the tone was the call by President Saddam Hussein of Iraq to Arabs to wage a *jihad*, or Islamic holy war, against Western forces deployed in the Gulf region to parry his threat against Saudi Arabian oil fields.

Traders said the dollar slipped in sympathy with the New York Stock Exchange, where many investors cashed out before the weekend.

"We noticed that oil started to tick up and the stocks started to get hit really hard," said Terri Reid, assistant vice president and corporate adviser with Harris Trust & Savings Bank in Chicago.

"I get the impression the market's just a little bit weary of all the rumors from the Middle East now," Ms. Reid added.

The U.S. currency fell to 1.5910 Deutsche marks from 1.5960 DM at Thursday's close, but rose to 150.45 yen from 149.75.

The dollar also fell to 1.3385 Swiss francs from 1.3430 francs, and slipped to 5.3375 French francs from 5.3500 francs. The pound strengthened, rising to $1.8735 from $1.8686.

Linda McLaughlin, a currency expert, said many players "got killed again" by a wave of technical selling on a move from yen into marks, which triggered voluminous dollar selling as well.

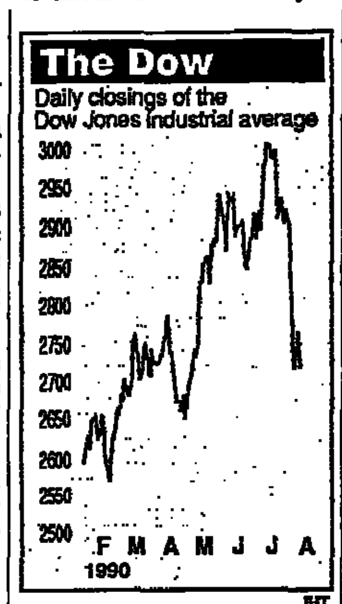
"There was nothing said that would cause you to sell dollars at all, but the market did," she said, adding that given the unpredictability of events in the Mideast, trading was motivated by "paranoia, basically."

In London trading earlier, the dollar eased to 1.5913 DM from 1.5928, but inched up to 150.20 yen from 149.85.

(Reuters, UPI)

Foreign Exchange

Via Associated Press Aug. 10



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2751.34	2763.41	2692.82	2714.58	— 42.33
Trans	999.44	1004.93	969.14	974.82	— 23.36
Util	203.79	204.92	201.96	203.09	— 1.39
Comp	962.82	967.52	941.84	945.88	— 15.59

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	401.20	394.13	395.82	— 5.38
Transp.	249.34	244.41	244.57	— 4.77
Utilities	135.93	134.29	134.32	— 1.61
Finance	25.95	25.53	25.72	— 0.23
SP 500	339.94	334.22	335.52	— 4.42
SP 100	323.52	317.91	319.38	— 4.03

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	186.04	183.83	184.15	— 2.07
Industrials	232.22	229.25	229.69	— 2.85
Transp.	153.48	150.82	150.82	— 2.86
Utilities	87.77	86.99	86.99	— 0.74
Finance	132.49	131.28	131.71	— 0.92

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	408.83	— 4.95	417.46	468.44
Industrials	438.24	— 5.86	447.93	508.87
Finance	399.14	— 3.11	406.83	441.61
Insurance	472.99	— 4.20	478.02	515.18
Utilities	554.31	— 9.81	576.45	651.40
Banks	299.19	— 2.07	303.72	327.41
Transp.	445.78	— 1.03	457.07	505.90

AMEX Stock Index

High	Low	Close	Ch'ge
341.64	338.72	339.32	— 2.17

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	90.79	— 0.10
10 Utilities	92.05	— 0.20
10 Industrials	89.53	Unch.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Kemper	33787	37¾	37⅛	37⅛	— ⅛
Unitel s	31378	26¾	25½	26½	+1⅛
GibMn	21394	5⅞	5½	5¾	+ ¼
Boeing s	18137	54½	52¾	53¼	—1⅛
PhilMr s	17189	46¼	44⅝	45⅝	— ⅝
Houlnd	16933	33⅜	32¾	32⅞	— ¼
SwiPS	16066	27⅜	26⅞	27	— ⅛
PicrD g	15937	18	17¼	17⅝	+ ⅜
WalMt s	15786	30⅞	29⅝	29⅞	— ⅝
Waste s	14822	39⅝	37⅞	38¼	—1⅛
IBM	14485	103⅝	101½	102	—1¼
AElPw	13752	28½	28¼	28¼	— ¼
Exxon	13266	52⅛	51½	51⅝	— ¼
Lilly s	12518	77⅝	74⅞	75¼	—2⅜
TexUtil	12441	36½	36⅛	36⅛	— ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ContAir	13126	6¾	6¼	6½	+ ¼
PW Nk pwt	9103	5	4½	4⅞	+ ½
SNk I93wt	8780	13⅛	12¼	12⅞	+1⅛
EchoBy	6882	13⅝	13½	13⅝	+ ⅜
Dk Nk wt	6817	14	13¾	14	+1⅜
Coron g	5773	6¾	6⅛	6⅝	+ ⅛
SNk I93wt	4404	14	13⅛	14	+1⅛
DowC rt	3554	8⅛	7⅜	7⅜	— ⅜
ElsNk wt	3377	5⅞	4⅝	5⅝	+ ½
A-gte sc s	3042	8½	7⅝	8	— ⅜
Nabors	2866	6⅛	5⅝	5⅝	— ⅜
ENSCO	2595	4⅝	4⅛	4⅝	+ ⅛
BT Nk wt	2557	33½	31¼	33½	+4⅛
DWG	2207	6½	5½	5¾	— ⅜
PegGld	2151	11⅝	11¼	11½	+ ⅜

NYSE Diary

	Close	Prev.
Advanced	447	837
Declined	1843	695
Unchanged	508	474
Total Issues	1998	2006
New Highs	7	8
New Lows	123	102

Amex Diary

	Close	Prev.
Advanced	208	304
Declined	337	239
Unchanged	247	246
Total Issues	792	789
New Highs	8	3
New Lows	58	46

NASDAQ Diary

	Close	Prev.
Advanced	579	1,202
Declined	1,009	767
Unchanged	1,237	2,312
Total Issues	2,825	4,281

Market Sales

NYSE 4 p.m. volume	145,340,000
NYSE prev. cons. close	188,042,280
Amex 4 p.m. volume	14,530,000
Amex prev. cons. close	13,540,000
NASDAQ 4 p.m. volume	112,033,100
NASDAQ prev. 4 p.m. volume	129,933,700
NYSE volume up	33,445,500
NYSE volume down	98,513,500
Amex volume up	8,036,000
Amex volume down	4,989,800
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Aug. 9	447,888	504,092	71,483
Aug. 8	561,481	575,549	67,328
Aug. 7	667,958	716,285	53,476
Aug. 6	519,036	917,346	110,385
Aug. 3	589,480	1,036,503	172,184

*Included in the sales figures

S&P 100 Index Options

Aug. 10

Strike Price	Calls-Last Aug	Sep	Oct	Nov	Puts-Last Aug	Sep	Oct	Nov
300	22	38	29⅝	—	1⅛	4⅝	5⅝	7½
305	16½	—	—	—	1⅝	5¾	7⅝	—
310	11⅝	17⅛	—	—	2⅛	8½	8⅝	10½
315	7½	14⅛	17⅛	—	3⅝	7⅝	10⅛	—
320	4⅝	10⅝	13⅝	15⅝	4⅝	9⅝	11½	14
325	1⅞	7½	11	—	7½	12	13⅝	—
330	⅝	5	8	10	11⅝	15	16⅝	18⅝
335	⅛	3⅛	6	—	15⅝	17⅝	19⅝	—
340	⅛	2	4⅛	—	20⅝	21	22⅝	23½
345	⅛	1⅛	2⅝	—	25⅝	25½	—	—
350	⅛	⅝	1 7/4	2½	31¼	31	31	—
355	⅛	⅛	1	—	35	36⅝	—	—
360	⅛	⅛	½	—	—	—	41	—
365	—	⅛	⅛	—	—	—	—	—

Calls: total vol. 137,483; total open int. 466,821
Puts: total vol. 174,476; total open int. 434,341
Source: CBOE.

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Oct	237.20	237.40	238.00	234.80	235.60	235.80
Dec	231.00	249.00	235.00	236.00	230.00	240.00
Mar	231.00	231.20	231.20	229.60	229.40	229.60
May	231.60	231.80	231.40	221.40	230.60	230.80
Aug	233.00	234.00	234.00	234.00	231.40	233.60
Oct	232.00	234.00	232.00	232.00	232.00	233.00
Dec	220.00	235.00	N.T.	N.T.	272.00	234.00
Volume: 1,154 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Sep	673	674	682	670	670	671
Dec	708	710	717	705	701	703
Mar	737	740	749	736	734	736
May	758	759	767	759	754	757
Jul	776	778	779	779	775	776
Sep	798	797	801	798	795	796
Dec	825	836	830	825	800	822
Volume: 7,440 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Sep	559	560	574	558	555	556
Nov	582	583	594	580	577	578
Jan	598	608	612	598	596	598
Mar	614	615	626	615	613	614
May	630	635	644	631	631	634
Jul	648	650	662	660	646	650
Sep	666	674	680	678	663	675
Volume: 4,050 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Aug	N.A.	N.A.	213.25	213.75	216.75	217.00
Sep	219.00	219.25	220.00	215.25	217.25	217.50
Oct	219.25	N.A.	219.50	215.50	217.00	217.50
Nov	218.00	218.25	220.00	215.00	216.50	217.00
Dec	217.75	N.A.	218.50	214.50	216.50	217.00
Jan	215.00	217.00	217.00	213.75	214.00	215.50
Feb	206.00	N.A.	205.00	204.00	203.75	203.00
Mar	198.00	199.00	210.00	199.00	196.00	199.25
Apr	197.00	N.A.	206.50	195.00	194.00	195.00
Volume: 10,526 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Oct	1,685	1,670	1,665	1,675	—
Dec	1,640	1,625	1,615	1,630	—
Mar	1,650	1,635	1,635	1,645	—
May	N.T.	N.T.	1,640	1,655	—
Aug	N.T.	N.T.	1,670	1,690	— 5
Oct	N.T.	N.T.	1,635	1,655	— 5

Est. vol.: 2,809 lots of 50 tons. Prev. actual sales: 261 lots. Open interest: 13,975.
Sources: Paris Bourse de Commerce, London Petroleum Exchange, Reuters.

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Interstate General A	Q	.20	9-1	8-21
INCREASED				
KN Energy Inc	Q	.28	9-30	9-14
Louisiana Genl Svcs	Q	.19¼	11-15	10-19
INITIAL				
United Hlthcare	A	.03	9-30	9-1
RESUMED				
Xtra Corp	Q	.18	8-31	8-20
USUAL				
Apex Mcpl Fund	-	.0795	8-30	8-20
Carpenter Tech	Q	.60	9-6	8-21
CPAC Inc	Q	.06	11-2	9-28
Dixie Yarns Inc	Q	.17	8-31	8-24
EIP Microwave	Q	.03	9-28	x-9-12
Elbit Computers	Q	.06	9-17	8-26
Fla Employers Ins	Q	.07	8-31	8-15
Kerr Glass Mfg	Q	.11	9-15	8-31
Lincoln National	Q	.65	11-1	10-10
Maytag Corp	Q	.12½	9-15	8-31
McDonald's Corp	Q	.08½	9-18	8-31
Mercantile Bncp	Q	.25	10-1	9-10
Moore Products	Q	.22	9-1	8-21
MuniEnhnced Fnd	-	.0669	8-30	8-20
MuniVest Fund Inc	-	.0609	8-30	8-20
Nat Commrce Bncrp	Q	.21	10-2	9-7
PaineWebber Grp	Q	.12	10-3	9-5
Pitt-Des Moines	Q	.30	9-28	9-14
Putnam Global GIT	M	.15	9-4	8-24
Putnam Opin IT II	Q	.27½	8-31	8-20
Science Mgmt Crp	Q	.02½	9-19	8-29
Southington Svgs	-	.16	9-18	8-31
Superior Surgical	Q	.18	9-6	8-23
Taurus MuniCal	-	.0663	8-30	8-20
Taurus MuniNY	-	.0687	8-30	8-20
Washington Energy	Q	.24	9-10	8-24
Willamette Indstries	Q	.40	9-14	8-27
World Income Fund	-	.1127	8-30	8-20

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Currency Options

Aug. 10

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls-Last Aug	Sep	Dec	Puts-Last Aug	Sep	Dec
50,000 Australian Dollars-cents per unit.							
Dollr	75	r	r	r	r	0.05	r
79.80	76	r	r	r	r	0.12	r
79.80	77	r	r	r	r	0.21	r
79.80	78	r	r	r	r	0.40	r
79.80	79	0.86	1.16	r	r	0.80	2.02
79.80	80	0.89	0.74	r	r	1.40	r
31,250 British Pounds-cents per unit.							
Pound	165	r	r	r	r	r	0.31
187.23	172½	14.23	r	r	r	r	r
187.23	175	r	r	r	r	0.15	r
187.23	177½	r	7.20	r	r	r	r
187.23	180	r	6.55	7.00	r	0.62	3.25
187.23	182½	r	r	r	r	1.22	4.60
187.23	185	2.10	2.83	r	0.10	2.20	5.95
187.23	187½	0.07	1.95	r	0.20	r	r
187.23	190	s	1.12	2.30	s	r	r
187.23	192½	s	0.50	r	s	r	r
50,000 Canadian Dollars-cents per unit.							
Dollr	83	4.02	r	r	r	r	r
87.16	85½	r	r	r	r	0.03	r
87.16	84	r	r	3.00	r	r	r
87.16	84½	r	2.50	r	r	r	r
87.16	85	r	2.00	r	r	r	r
87.16	86	r	1.46	r	r	0.23	r
87.16	86½	0.60	0.62	0.78	r	0.40	r
87.16	87	0.15	0.32	r	r	0.69	r
87.16	87½	r	0.17	0.40	r	r	r
50,000 Canadian Dollars-European Style.							
Dollar	85½	r	r	r	r	0.10	r
87.16	86	1.15	0.79	r	r	0.21	r
87.16	86½	0.56	0.54	r	r	r	r
87.16	87	0.16	r	r	r	r	r
87.16	88	r	0.05	r	r	r	r
62,500 West German Marks-cents per unit.							
Mark	56	r	6.58	r	r	r	r
62.91	59	3.55	r	r	r	r	r
62.91	59½	3.10	r	r	s	r	r
62.91	60	2.70	2.64	r	r	0.12	r
62.91	60½	2.10	r	r	s	r	r
62.91	61	1.90	2.12	r	r	0.24	r
62.91	61½	1.50	r	r	s	r	r
62.91	62	0.40	r	1.97	r	0.50	1.33
62.91	62½	0.34	0.87	s	0.05	0.46	
62.91	63	0.08	0.79	1.30	0.21	0.86	1.69
62.91	64	0.01	0.47	1.10	1.30	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	64	r	r	r	r	0.11	r
66.53	64½	2.08	r	r	s	0.01	0.16
66.53	65	r	r	r	r	0.02	r
66.53	65½	1.00	r	r	s	0.01	r
66.53	66	0.61	1.10	r	0.02	0.45	
66.53	66½	0.09	0.81	s	0.05	0.77	
66.53	67	0.11	0.71	r	0.48	r	r
66.53	67½	0.01	r	s	0.98	r	
66.53	68	r	0.31	0.86	r	r	r
66.53	69	r	0.13	r	r	r	r
66.53	72	s	r	0.16	s	r	
6.25 mil Yen-European Style.							
66.53	67	r	0.72	r	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	65	r	r	9.49	r	r	r
74.71	69	r	r	5.83	r	r	r
74.71	74½	0.18	r	r	s	0.27	r
74.71	72	r	r	3.29	r	0.29	1.09
74.71	73	1.25	r	r	r	0.49	r
74.71	73½	r	r	r	s	0.79	r
74.71	74	0.71	r	r	0.11	0.77	1.90
74.71	75	r	0.91	1.98	0.30	r	r
74.71	76	r	0.42	r	r	r	
62,500 Swiss Francs-European Style.							
74.71	63	s	11.53	r	s	r	r
74.71	64	s	10.60	r	s	r	r
74.71	66	r	8.60	r	r	r	r
74.71	68	r	4.58	r	r	r	r

Total call vol. 12,361 Call open int. 379,639
Total put vol. 20,101 Put open int. 422,055
r—Not traded. s—No option offered.
Last is premium (purchase price).

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1775.00	1777.00	1775.00	1777.00
Forward	1797.00	1798.00	1799.00	1800.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1615.00	1617.00	1647.00	1649.00
Forward	1558.00	1559.00	1591.00	1592.00
LEAD Sterling per metric ton				
Spot	463.00	464.00	471.00	473.00
Forward	466.00	467.00	473.00	474.00
NICKEL Dollars per metric ton				
Spot	10835.00	10850.00	11050.00	11100.00
Forward	10375.00	10425.00	10600.00	10625.00
TIN Dollars per metric ton				
Spot	5980.00	6000.00	5995.00	6005.00
Forward	6118.00	6128.00	6120.00	6130.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1617.00	1622.00	1665.00	1670.00
Forward	1538.00	1548.00	1577.00	1580.00

U.S. / AT THE CLOSE

Farley Cuts Fruit of the Loom Stake

WASHINGTON (UPI) — William Farley, president of Farley Inc., has slightly lowered his controlling stake in Fruit of the Loom Inc., according to documents filed Friday with the Securities and Exchange Commission.

Fruit of the Loom is a Farley subsidiary that manufactures underwear in Bowling Green, Kentucky.

Mr. Farley disclosed that he sold 360,500 shares of the company's Class A common stock in open market transactions for $12 to $13.62 a share. The transactions took place between June 13 and Aug. 26. At $12 a share, the sale would be worth more than $4.3 million.

The investor now owns 15.5 million shares of Fruit of the Loom stock, including 327,200 shares of Class A stock and 15.2 million shares of Class B stock that is convertible into Class A stock. The shareholdings allow Mr. Farley to exercise control over 62 percent of Fruit of the Loom's voting stock.

Commodore Posts $3.5 Million Loss

WEST CHESTER, Pennsylvania (AP) — Commodore International Ltd. said Friday it had a $3.5 million loss in its latest quarter, although sales increased. Earnings for the year also plunged from the year earlier.

The personal-computer maker, which has been struggling to increase its profitability, said the loss for the quarter ended June 30 equaled 11 cents a share. Revenue for the quarter totaled $198.1 million, compared with $180.3 million for the same quarter last year.

The company said earnings were hurt by an increase in operating expenses due to greater marketing costs. The company has been promoting its Amiga model and computers compatible with those made by International Business Machines Corp. Amiga sales rose by more than 40 percent in the quarter compared with a year earlier, the company said.

Housing Completions Fell in June

WASHINGTON (Reuters) — U.S. housing completions fell 5.5 percent in June, to a seasonally adjusted annual rate of 1.279 million units, the Commerce Department said Friday.

The department revised May's rise in seasonally adjusted housing completions to show a 4.5 percent increase instead of 4.6 percent reported previously.

The department said completions in June were down 5.6 percent from the seasonally adjusted annual rate of 1.355 million units recorded in June a year ago.

EG & G Selling a Unit to TI Group

WELLESLEY, Massachusetts (Reuters) — EG & G Inc. said it has agreed to sell its Fluid Components Technology Group to TI Group PLC for $240 million in cash, subject to regulatory clearances. The business had revenue of $180 million in 1989.

EG & G said it hoped to close the deal around the end of the year. It said TI expects to finance the transaction from its cash resources and existing credit facilities.

Bass Family Boosts Healthco Stake

WASHINGTON (Reuters) — A group including members of the Bass family of Fort Worth, Texas, has raised its stake in Healthco International Inc to 7.2 percent, or 554,600 common shares.

In a filing with the Securities and Exchange Commission, the group said it bought 147,000 common shares from July 30 to Aug. 9 for prices between $16.43 to $18.88 per share. The filing did not say whey the group raised its stake.

UAW Rejects Chrysler Stake Plan

TRAVERSE CITY, Michigan (AP) — The United Auto Workers union has rejected proposals that would give workers a stake in the financially struggling Chrysler Corp. and would establish a new way to figure profit sharing, a UAW official said Friday.

"It's pretty close to being laid to rest from the union's position," said the UAW vice president, Stan Marshall.

OIL: *Prices Turn Upward on Iraq's Call for Arab Uprising Against the U.S.*

(Continued from first finance page)
ganization of Petroleum Exporting Countries may eventually raise output to offset some of the volume lost by the embargo.

• Western experts are to meet in Paris under auspices of the 21-nation International Energy Agency on Saturday to consider ways of making the embargo on Iraq most effective.

• Oil industry officials said that if the shortage of supplies does not improve markedly in the next few weeks, Western governments will have to authorize the use of strategic petroleum reserves or face a substantial increase in oil prices.

• *Some oil companies in various* Western countries continued to shave increases, citing the partial retreat of crude prices.

The Iranian move is bound to put pressure on other OPEC members with additional production capacity — notably Saudi Arabia, the United Arab Emirates and Venezuela — to seriously consider boosting their output.

Oil industry executives in London said the boycott has now reached a near 100 percent cutoff.

Saudi Arabia and Venezuela have been pressuring the OPEC conference president, the Algerian energy minister, Sadek Boussena, to give them an umbrella, in the words of one senior OPEC official, that allows them to boost their production without coming under criticism from other members who are in favor or higher prices.

Prices of oil have moved from lows of $14 only last May.

"There is no question that Saudi Arabia and Venezuela will sooner or later boost their output, with or without OPEC agreement," said one senior Arab oil industry official.

Venezuela fears high prices might force the West into energy-*saving policies and wreck the market.*

(Reuters, NYT, AP)

WORLD STOCK MARKETS

Agence France Presse Aug. 10

Amsterdam	Close	Prev.
ABN Bank	33.70	33.80
ACF Holding	37	38.80
Aegon	117.50	117.60
Ahold	129.60	128.20
Akzo	103.10	102.70
AMEV	50.90	51.50
A'Dam Rubber	5.25	5.30
Amro Bank	67.30	67.70
Bols	179	180.50
Buhrmann Tett	66.30	66.50
BVG	20.50	21.30
Center Parcs	63.70	64.10
CSM	84	84.80
DAF	24.20	23.80
DSM	100.70	101.40
Elsevier	85.30	85.50
Fokker	44.80	45.70
Gist-Brocades	28.40	28
Heineken	123.40	123
Hoogovens	59.20	60.10
Hunter Douglas	82.50	82
IHC Caland	51.50	51.50
Inter Mueller	67	71
KLM	26.70	26.80
KNP	42.30	42.90
Nat Neder	65.20	65.20
Nedlloyd	59.90	67.90
NMB Postbank	44.20	44.50
Oce Grinten	52.50	52.50
Pakhoed	200	202.50
Philips	25.40	26.30
Robeco	93.80	94.60
Rodamco	75.40	75.40
Rolinco	91.70	92.40
Rorento	59.10	59.20
Royal Dutch	147.50	146.50
Unilever	149.30	149.30
Van Ommeren	39.10	40
VMF Stork	53.40	53.70
VNU	92.50	92.60
Wessanen	60.80	60.60
Wolters/Kluwer	50	48.80

CBS Gen'l trend index : 107.90
Previous : 108.50

Brussels	Close	Prev.
AG Fin	8550	8600
Arbed	4770	4755
Barco	1965	2000
Bekaert	11275	11325
Cockerill	164	166
Cobepa	5250	5250
Delhaize	6170	6140
EBES	3900	3920
GB-Inno-BM	1326	1330
GBL	3670	3680
Gevaert	8000	8080
Hoboken	14500	N.Q.
Intercom	3150	3140
Kredietbank	3825	3825
Petrofina	11650	11800
Royal Belge	5120	5400
Soc Gen Banque	4750	4650
Soc Gen Belgique	3015	3040
Sofina	11650	11675
Solvay	11850	11800
Tractebel	8000	8100
UCB	23200	23200
Unerg Ps	2200	2200

Current Stock Index : 5862.27
Previous : 5864.43

Frankfurt	Close	Prev.
AEG	283.50	278
Allianz Hold	2700	2702
Altana	530	530.50
Asko	875	850
BASF	258.50	253.80
Bayer	262.50	259.80
Bay. Hypo bank	373.50	377
Bay Vereinsbk	400	403
BBC	875	890
BHF Bank	459	460
BMW	512.50	510.50
Commerzbank	279.50	280
Continental	314	317
Daimler Benz	768	773
Degussa	379	391
Dt Babcock	206	205.20
Deutsche Bank	747	752.30
Douglas	837	851
Dresdner Bank	408.50	412.50
Feldmuehle	497.50	498.20
Harpener	445	469
Henkel	620.10	620
Hochtief	1350	1345
Hoechst	255.50	254.20
Hoesch	305.20	307.50
Holzmann	1525	1468
Horten	270	266
IWKA	352.50	351
Kali Salz	245	251.50
Karstadt	683	690
Kaufhof	625	630
KHD	239	243
Kloeckner Werke	185	185.50
Krupp Stahl	250	259
Linde	955	959
Lufthansa	138.80	138.50
MAN	412	414
Mannesmann	303	302.80
Metallgesell	552.50	546
Muench Rueck	2480	2410
Nixdorf	308.50	308
PKI	517.50	528.50
Porsche	1000	1055
Preussag	380	385
PWA	263	267.50
RWE	432	438
Rheinmetall	388	391
Schering	724	731
SEL	395	389

Frankfurt (cont.) / Other	Close	Prev.
Siemens	684.50	693.60
Thyssen	262.50	266.50
Varta	354	346
Veba	384.50	385.50
VEW	229	229
Viag	375.50	376
Volkswagen	544	546
Wella	755	757

DAX Index : 1749.34
Previous : 1755.63
FAZ Index : 743.56
Previous : 744.81

Helsinki	Close	Prev.
Amer A	125	120
Enso-Gutzeit	30.50	30.50
K.O.P.	43.50	44
Kymmene	80	80.90
Nokia	93	93
Pohjola	136	140
Stockmann	200	200
United Papers	140	145
Wartsila	370	370

Unitas Index : 538.30
Previous : 538.10

Hong Kong	Close	Prev.
Bk East Asia	14.20	14.30
Cathay Pacific	8.55	8.60
Cavendish Int'l	3.43	3.63
Cheung Kong	11.70	11.90
China Light Pwr	13.90	13.80
Dairy Farm Int'l	9.60	9.45
Hang Lung Dev	5.10	5.15
Hang Seng Bank	20.70	20.80
Henderson Land	7.90	8
HK Air Eng.	18.20	18.40
HK China Gas	10.70	11
HK Electric	8.65	8.70
HK Land	7.95	8.05
HK Realty Trust	4.68	4.68
HK Shang Bank	5.65	5.70
HK Shang Hits	4.55	4.75
HK Telecomm	6.05	6.05
HK Ferry	4.53	4.55
Hutch Whampoa	10.70	10.70
Hysan Dev	1.20	1.21
Jardine Math.	32.25	31.75
Jardine Str Hld	15.80	15.90
Kowloon Motor	6.05	6.10
Mandarin Orient	4.98	5
Miramar Hotel	6.05	6.15
New World Dev	10.10	10.10
SHK Props	13.20	13.20
Stelux	3.80	3.75
Swire Pac A	17.60	17.80
Tai Cheung Prps	3.63	3.70
TVE	1.02	1.06
Wharf Hold	8.40	8.35
Wing On Co	6.85	6.90
Winsor Ind.	7.85	7.95
World Int'l	4.03	4.03

Hang Seng Index : 3078.97
Previous : 3071.12

Johannesburg	Close	Prev.
AECI	15.25	15.25
Altech	68	68
Anglo Amer	117.50	117.75
Barlows	36.75	37
Blyvoor	12.75	12.75
Buffels	61.50	61
CFSA	81	80
Harmony	34.75	34
Highveld Steel	15	15.80
Kloof	37	38.75
Nedbank Grp	12	12
Rusplat	85	85.75
SA Brews	40	39.75
St Helena	36	36
Sasol	15.60	15.25
Welkom	26	25.50
Western Deep	141	138.50

Composite Stock Index : 3132
Previous : 3143

London	Close	Prev.
Allied Lyons	4.76	4.92
Anglo Am Gld	44.34	45.28
AA Corp	16.63	16.28
Asda-MFI Gp	1.18	1.19
Ass Brit Foods	4.01	4
Barclays	3.69	3.73
Bass	10.42	10.53
B.A.T.	5.65	5.82
Blue Circle	2.16	2.22
BOC Group	5.08	5.17
Boots	2.91	2.92
Bowater	4.75	4.80
BAe	5.46	5.45
BAA	4.21	4.19
Brit Airways	1.80	1.87
British Gas	2.25	2.30
BP	3.62	3.57
British Steel	1.30	1.29
Brit Telecom	2.92	2.93
BTR	3.76	3.73
Burmah Oil	6.05	6.10
Cable Wire	4.70	4.80
Cadbury Sch	3.32	3.28
Charter Cons	4.53	4.48
Comm Union	4.91	4.79
Coats Vi	1.42	1.40
Courtaulds	3.26	3.32
Dalgety	3.45	3.48
De Beers	N.Q.	—
Dixons	1.38	1.38
Driefontein	7.03	6.91
Eurotunnel	3.03	4.88
Fisons	3.51	3.50
Gen Acc F	4.94	4.94
GEC	1.87	1.86
GKN	3.54	3.56
Glaxo	7.63	8.02
Grand Met	6.03	6.11
Gt Univ Stores	13.75	13.75
GRE	2.01	2.04
Guinness	7.48	7.58
Hanson Tr	2.13	2.12
Hawker Sidd	4.92	4.95
ICI	9.40	9.68
Kingfisher	3.30	3.35
Land Sec	5.14	5.13
Legal Gen Grp	3.85	3.74
Lloyds Bank	2.78	2.85
Lonrho	2.60	2.54
Lucas Ind	1.40	1.42
Marks Sp	2.31	2.31
Maxwell	1.71	1.70
MB Group	1.97	1.94
Midland Bk	2.46	2.42
NatWest	3.03	3.10
Pearson Grp	7.15	7.15
P and O	5.83	5.95
Pilkington	1.75	1.77
Prudential	2.16	2.14
Racal Elec	1.78	1.81
Randfontein	2.85	2.64
Rank Org	6.93	6.97
Reed Int'l	4.07	4.13
Reuters	9.93	10.02
Rolls Royce	1.99	2
Royal Dutch	43.63	43.94
RTZ	5.30	5.27
Saatchi	0.65	0.69
Sainsbury	2.90	2.87
Sears Holds	0.90	0.90
Shell	4.83	4.80
Siebe	5.46	5.47
STC	2.50	2.50
Std Chart Bk	4.16	4.10
Storehouse	1.32	1.32
Sun Alliance	3.04	3
Tate and Lyle	2.78	2.78
Tesco	2.23	2.28
Thorn EMI	6.85	6.82
T.I. Group	4.87	4.88
Trafalgar Hse	2.80	2.86
THF	2.66	2.67
Ultramar	3.44	3.49
Unilever	6.64	6.67
Utd Biscuits	3.37	3.38
Vickers	2.22	2.22
War Loan 3½	31.63	31.25
Wellcome	5.30	5.57
Woolworth	15.56	15.56

F.T. 30 Index : 1747.50
Previous : 1751.70
F.T.S.E. 100 Index : 2223.80
Previous : 2244.90

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3150	3190
Banco Central	4990	4975
Bco. Santander	4550	4590
Banesto	3800	3800
CEPSA	2125	2140
Dragados	2515	2720
Iberduero	603	607
Telefonica	829	828

S.E. General Index : 266.35
Previous : 267.41

Milan	Close	Prev.
Banca Comm	5475	5445
Bastogi	296	294
Ciga hotels	4732	4700
CIR	4210	4208
Cred Ital	2765	2750
Enimont	1300	1345
Eridania	9360	9280
Ferruzzi Fin.	2740	2770
Ferruzzi Agr.	2410	2465
Fiat SPA	7585	7600
Generali	39100	39230
IFI	20450	20600
Italcem	12800	12650
Italgas	2850	2823
Italmobiliare	21500	21320
Mediobanca	18100	18350
Montedison	1732	1782
Olivetti	5030	5000
Pirelli	2055	2080
RAS	23040	23200
Rinascente	7415	7445
Saipem	2700	2700
SIP	1490	1480
SME	4230	4200
Snia	2100	2170
Standa	30100	30150
Stet	2335	2355
Toro Assi Risp	24500	24690

a: x 100
MIB current index : 957.40
Previous : 957.10

Montreal	Close	Prev.
Alcan Aluminium	25⅝	26½
Bank Montreal	26⅝	26⅝
Bell Canada	37⅝	37⅝
Bombardier A	N.Q.	18⅝
Bombardier B	18⅝	18⅝
Cambior	17⅝	17⅝
Cascades	3.85	3.95
Dominion Text A	9⅝	9⅝
Donohue	N.Q.	—
MacMillan Bl	17½	17½
Memotec	8½	8½
Natl Bk Canada	9⅝	9⅝
Noverco	N.Q.	—
Power Corp.	15⅝	15

Paris	Close	Prev.
Provigo	9	9
Quebec Tel	N.Q.	14½
Quebecor A	N.Q.	—
Quebecor B	10⅝	10⅝
Videotron	N.Q.	12

Industrials Index : 1518.89
Previous : 1529.58

Paris	Close	Prev.
Accor	898	888
Air Liquide	702	698
Avions Dassault	492	496
Bancaire (Cie)	461.50	488
BIC	598	600
Bongrain	2990	2900
Bouygues	557	556
BSN-GD	809	809
Carrefour	3300	3350
Cerus	308	304
C.G.E.	573	569
Chargeurs	835	836
Club Med	513	505
Dumez	677	682
Elf-Aquitaine	699	689
Europe 1	1200	1175
Gen. Eaux	2384	2355
Hachette	239	243
Havas	559	566
Imetal	307.50	307.90
Lafarge Coppee	398	397
Legrand	4070	4070
Oreal (L')	518	510
L.V.M.H.	3996	4056
Matra	297	300
Merlin Gerin	5450	5520
Michelin B	82.20	83
Moulinex	88	85.90
Occidentale	665	655
Paribas	541	545
Pernod-Ricard	1061	1082
Perrier	1430	1435
Peugeot	631	613
Printemps (Au)	572	580
Radiotechnique	514	510
Raff. St. Louis	1217	1240
Redoute (La)	2750	2750
Roussel Uclaf	2150	2120
Saint Gobain	441	441
Sanofi	880	880
S.E.B.	1060	1051
Skis Rossignol	990	998
Ste Generale A	491	489.90
Suez	356.50	362
Telemecanique	4700	4730
Thomson-CSF	100	103.90
Total	629	634
Valeo	458	454

CAC 40 Index : 1779.83
Previous : 1779.86

Sao Paulo	Close	Prev.
Banco do Brasil	21.90	22.20
Bradesco	1.77	1.85
Brahma	7.10	7.70
Paranapanema	1.32	1.35
Petrobras	172	189
Vale Rio Doce	42.30	43.50
Varig	21.30	23

Bovespa Index : 28258
Previous : 27256

Singapore	Close	Prev.
City Dev.	3.18	3.16
DBS	N.Q.	11.40
Fraser Neave	7.75	7.80
Genting	9.75	9.80
Harrisons Plant	1.49	1.53
Haw Par	2.70	2.67
Hume	3.76	3.72
Inchcape	4.58	4.62
Keppel	6.75	6.95
KL Kepong	2.68	2.70
Lum Chang	1.25	1.30
Malayan Banks	8.30	8.15
OCBC	8.30	8.45
OUB	4.66	4.84
OUE	7.40	8
Sembawang	5.65	5.90
Shangrila	7.20	7.50
Sime Darby	2.74	2.64
SIA	12.70	12.70
S'pore Land	13.50	13.40
S'pore Press	9.30	9.30
Sing Steamship	3.18	3.14
Straits Trading	2.94	3
UOB	6.20	6.20
United Overseas	1.79	1.81

Straits Times Ind. : 1363.66
Previous : 1373.72

Stockholm	Close	Prev.
AGA	310	315
Alfa Laval	255	259
Asea	775	775
Astra-A	550	550
Atlas Copco	300	N.Q.
Electrolux B	231	234
Ericsson	1273	1240
Esselte-A	231	225
Handelsbanken	128	130
Pharmacia-A	223	223
Norsk Hydro	222	220
Saab-Scania	280	285
Sandvik	315	315
SCA-A	119	116
S-E. Banken	82.50	80
Skandia F	185	186
Skanska	452	465
SKF	135	137
Stora	330	325
Trelleborg B	159	158
Volvo	323	328

Affaersvaerlden : 1226.30
Previous : 1237.40

Sydney	Close	Prev.
ANZ	4.83	4.90
BHP	11.25	11.15
Bond	N.Q.	—
Boral	3.37	3.38
Bougainville	1.25	1.30
Coles Myer	7.90	7.80
Comalco	4.20	4.10
CRA	12.40	12.45
CSR	5.16	5.18
Dunlop	5.06	5.06
Elders IXL	1.75	1.77
ICI Australia	4.24	4.20
Magellan	1.85	1.77
MIM	2.49	2.47
Nat Aust Bank	6.80	6.78
News Corp	11.85	11.70
N Broken Hill	2.51	2.43
Poseidon	2.54	2.45
QCT Resources	1.55	1.60
Santos	5.84	5.04
TNT	2.43	2.40
Western Mining	5.46	5.38
Westpac Banking	4.90	4.92
Woodside	3.20	3.20

All ordinaries index : 1569.30
Previous : 1562.80

Tokyo	Close	Prev.
Akai Electr	835	880
Asahi Chemical	760	758
Asahi Glass	1440	1450
Bank of Tokyo	1190	1190
Bridgestone	1300	1310
Canon	1580	1580
Casio	1380	1380
C.Itoh	680	689
Dai Nippon Print	1630	1690
Daiwa House	2140	2120
Daiwa Securities	1130	1150
Fanuc	6550	6550
Fuji Bank	2320	2340
Fuji Photo	4010	4100
Fujitsu	1270	1270
Hitachi	1310	1310
Hitachi Cable	1000	1030
Honda	1530	1550
Ito Yokado	2530	2570
Japan Air Lines	1610	1680
Kajima	1510	1540
Kansai Power	2870	2860
Kawasaki Steel	501	499
Kirin Brewery	1450	1430
Komatsu	1060	1070
Kubota	810	805
Kyocera	8050	8020
Matsu Elec Inds	1810	1810
Matsu Elec Wks	1780	1800
Mitsubishi Bk	1920	1910
Mitsubishi Kasei	626	630
Mitsubishi Elec	805	800
Mitsubishi Hev	835	811
Mitsubishi Corp	1230	1240
Mitsui and Co	775	771
Mitsukoshi	1450	1470
Mitsumi	1890	1820
NEC	1710	1680
NGK Insulators	1260	1260
Nikko Securities	1010	1010
Nippon Kogaku	1390	1380
Nippon Oil	1400	1400
Nippon Steel	515	516
Nippon Yusen	732	731
Nissan	945	965
Nomura Sec	1910	1920
NTT (SF)	8972	8925
Olympus Optical	1370	1420
Pioneer	5710	5800
Ricoh	932	921
Sanyo Elec	774	761
Sharp	1510	1540
Shimazu	1020	1030
Shinetsu Chem	1490	1480
Sony	7810	7930
Sumitomo Bk	1980	1990
Sumitomo Chem	570	571
Sumi Marine	870	880
Sumitomo Metal	498	496
Taisei Corp	1100	1110
Taisho Marine	845	840
Takeda Chem	1450	1460
TDK	6450	6610
Teijin	647	637
Tokyo Marine	1120	1130
Tokyo Elec Pw	3580	3580
Toppan Printing	1500	1520
Toray Ind.	691	695
Toshiba	905	917
Toyota	1990	2000
Yamaichi Sec	1010	1010

Nikkei 225 : 27330
Previous : 27616
Topix Index : 2067
Previous : 2068

Toronto	Close	Prev.
Abitibi Price	15½	15½
Agnico Eagle	8⅝	8¼
Air Canada	8¼	9½
Alberta Energy	17⅝	17¼
Am Barrick Res	24⅞	23⅝
BCE	37⅝	38
BCED	0.26	0.27
Bk Nova Scotia	14⅝	14⅝
BC Gas	15⅝	15¼
BC Phone	17¼	17⅝
BP Canada	19⅝	19⅝
Bramalea	11½	11⅝
Brunswick	N.Q.	—
CAE	6¼	6⅝
Campeau	1½	1½
CIBC	26⅛	26½
Canadian Pacific	19½	19⅝
Can Packers	10	10⅝
Can Tire A	20⅝	20⅝
Cantor	25	25¼
Cara	16⅝	N.Q.
CCL Ind B	9½	9⅝
Cineplex	4.55	4⅝
Cominco	25⅝	25¼
Conwest Expl A	N.Q.	—
Corona A	7⅝	7¼
Denison Min B	1.70	1⅝
Dickenson Min A	4.90	N.Q.
Dofasco	21⅝	21⅝
Dylex A	4½	4½
Echo Bay Mines	15¼	15⅝
Equity Silver A	1.32	1.30
FCA Int'l	N.Q.	—
Fed Ind A	12⅝	12⅝
Fletcher Chall A	14⅝	14⅝
FPI	4.90	4.50
GoldCorp	4.78	4.65
Gulf Cda Res	16⅝	16
Hees Int'l	23	23⅝
Hemlo Gld Mines	13⅝	13⅝
Hollinger	12⅝	N.Q.
Horsham	10⅝	10⅝
Hudson Bay	N.Q.	—
Imasco	36⅝	36½
Inco	33⅝	34⅝
Interhome	48¼	48½
Jannock	14⅝	14⅝
Labatt	22¼	22⅝
Loblaw Co	16⅝	16¾
Mackenzie	7⅝	7⅝
Magna Intl A	2⅝	2.70
Maritime	17	17
Mark Res	11¼	11¼
MacLean Hunt X	8⅝	8⅝
Molson A	34	34
Noma Ind A	6⅝	7
Noranda	19¼	19½
Noranda Forest	10⅝	10¼
Norcen Energy	27¼	27
Nova Corp	8	8
Oshawa	30⅝	30⅝
Pagurin A	7½	7⅝
Placer Dome	20⅝	19⅝
Poco Petroleum	7½	7½
PWA Corp	10⅝	10⅝
Quebec Sturgeon	0.93	N.Q.
Rayrock	9⅝	8⅝
Renaissance	14⅝	14½
Rogers B	7⅝	8
Rothmans	59½	N.Q.
Royal Bank Can	22⅝	23¼
Royal TrustCo	13⅝	13⅝
Sceptre Res	4.15	4.25
Scott's Hosp	14⅝	14⅝
Seagram	91⅝	92½
Sears Can	10⅝	10⅝
Shell Can	39⅝	39⅝
Sherritt Gordon	7⅝	N.Q.
SHL Systemhse	7¼	7¼
Southam	21	21⅝
Spar Aerospace	10⅝	10⅝
Stelco A	16	16
Teck B	26⅝	26
Thomson News	13⅝	13⅝
Toronto Dom'n	18⅝	18⅝
Torstar B	24	24⅝
Transalta Util	12	12
TransCda Pipe	16⅝	16⅝
Trilon Finl A	17	17
Trimac	7⅝	7⅝
Trizec A	18⅝	18⅝
Turbo Resources	8.45	8.42
Unicorp A	N.Q.	—
Woodward's Ltd	1¼	1.33

TSE 300 Index : 3475.60
Previous : 3494.20

Zurich	Close	Prev.
Adia Int'l	1250	1250
Alusuisse	1340	1340
Bank Leu	2600	2607
Brown Boveri	5750	5740
Ciba Geigy	2770	2780
CS Holdings	2080	2070
Elektrow	3050	3040
Fischer	1880	1890
Interdiscount	4080	4080
Jacobs Suchard	8150	8300
Jelmoli	2080	1980
Landis Gyr	1390	1385
Moevenpick	5650	5650
Nestle	8040	8090
Oerlikon-B	975	970
Pargesa Hld	1350	1370
Roche Holding B	3768	3760
Sandoz	1900	1985
Schindler	6850	6900
Sulzer	635	637
Surveillance	5300	5450
Swissair	825	810
SBC	325	327
Swiss Reinsur	535	540
Swiss Volksbank	1390	1390
Union Bank	3210	3210
Winterthur	3810	3830
Zurich Ins	1990	1995

SBS Index : 619.20
Previous : 618.70

U.S. FUTURES

Via Associated Press Aug. 10

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.73	2.78¾	Sep	2.87¾	2.92	2.80	2.80½	—.09½
3.80	2.94½	Dec	3.02½	3.07	2.95	2.96	—.10
3.85	3.03¾	Mar	3.15	3.16	3.03	3.04¼	—.10¾
3.73	3.05	May	3.17	3.20	3.10	3.11	—.04
3.63	3.05	Jul	3.16	3.19	3.12½	3.12½	—.03
3.26	3.10	Sep	3.18½	3.19	3.14	3.14	—.04½
Est. Sales		Prev. Sales 14,049					
Prev. Day Open Int. 60,428 off 266							
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.97	2.29	Sep	2.52½	2.54	2.49¾	2.50¾	
2.96½	2.32	Dec	2.47	2.50¾	2.44¾	2.44¾	—.01
3.07½	2.41	Mar	2.58	2.58¾	2.53	2.53½	—.01
3.06½	2.49¾	May	2.64½	2.65¼	2.59	2.60	—.01½
3.08¼	2.62¼	Jul	2.68	2.69¼	2.62½	2.62¾	—.02¼
2.87½	2.57	Sep	2.62	2.62	2.58½	2.59¼	—.00¾
2.75	2.52½	Dec	2.60	2.61	2.59	2.59¼	+.00¾
Est. Sales		Prev. Sales 24,693					
Prev. Day Open Int. 204,079 off 1,211							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
7.02	5.77¼	Aug	6.10	6.16	6.06¼	6.08¾	+.10½
7.02	5.66	Sep	6.14	6.22	6.12	6.14	+.11
6.94	5.64½	Nov	6.23	6.33¾	6.22	6.26	+.12¼
6.92	5.87	Jan	6.36	6.43¼	6.32	6.36½	+.14
7.03	5.65½	Mar	6.44	6.54	6.43½	6.47½	+.13½
7.11	6.14½	May	6.52	6.60	6.50	6.54	+.12½
7.18	6.25	Jul	6.59	6.66	6.56½	6.59½	+.12¼
6.95	6.28	Aug	6.55	6.62	6.55	6.55	+.12
6.54	6.29	Sep				6.40	+.11
6.74	6.12½	Nov	6.28	6.36	6.25	6.32¼	+.10¾
Est. Sales		Prev. Sales 38,878					
Prev. Day Open Int. 88,980 up 2,196							
SOYBEAN MEAL (CBT) 100 tons-dollars per ton							
198.00	165.20	Aug	176.50	177.50	176.00	176.50	+2.60
200.00	164.80	Sep	177.80	179.00	177.30	177.50	+2.20
200.00	168.00	Oct	179.00	180.50	178.20	178.30	+1.80
205.50	170.50	Dec	182.00	183.80	181.30	181.40	+2.10
204.00	171.50	Jan	183.50	185.00	182.70	182.70	+2.30
212.00	174.50	Mar	185.10	187.50	185.30	185.40	+2.40
208.00	175.80	May	187.10	188.00	186.00	186.20	+2.50
209.00	177.50	Jul	187.50	189.00	187.00	188.00	+3.50
190.50	176.50	Aug	186.50	186.50	185.00	186.00	+4.50
181.00	175.50	Sep	184.50	184.50	184.50	184.50	+3.00
Est. Sales		Prev. Sales 16,378					
Prev. Day Open Int. 63,346 off 760							
SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.							
25.75	19.50	Aug	24.85	24.93	24.66	24.82	+.36
25.62	19.50	Sep	24.50	24.84	24.52	24.69	+.30
25.56	19.65	Oct	24.70	24.90	24.57	24.72	+.38
25.74	19.75	Dec	24.80	25.08	24.60	24.84	+.36
25.31	19.81	Jan	24.90	25.15	24.75	24.91	+.31
24.80	19.82	Mar	25.08	25.25	24.80	25.02	+.35
24.78	20.15	May	24.85	25.70	24.90	25.10	+.32
24.80	21.05	Jul	25.15	25.15	24.85	25.17	+.37
24.35	24.35	Aug				24.15	+.45
23.90	22.85	Sep				25.10	+.45
Est. Sales		Prev. Sales 13,286					
Prev. Day Open Int. 82,030 up 793							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.-cents per lb.							
79.10	69.12	Aug	78.67	79.07	78.52	78.97	+.30
79.10	68.20	Oct	78.40	78.72	78.32	78.57	—.18
78.12	71.00	Dec	76.98	77.28	76.80	77.05	—.07
77.80	72.50	Feb	76.50	76.57	76.25	76.38	—.22
78.05	74.15	Apr	76.90	77.10	76.75	76.80	—.30
75.42	72.62	Jun	74.70	74.85	74.55	74.55	—.30
73.80	72.27	Aug	73.25	73.37	73.10	73.10	—.27
Est. Sales 11,132		Prev. Sales 14,862					
Prev. Day Open Int. 67,840 up 157							
FEEDER CATTLE (CME) 44,000 lbs.-cents per lb.							
90.10	78.50	Aug	89.65	89.70	89.25	89.52	—.33
88.85	78.80	Sep	88.10	88.25	87.60	87.80	—.48
87.82	78.20	Oct	87.17	87.20	86.35	86.67	—.45
87.75	79.00	Nov	86.85	86.90	86.30	86.42	—.45
87.15	79.75	Jan	86.35	86.35	85.80	85.90	—.42
85.60	80.90	Mar	84.90	84.90	84.35	84.50	—.50
84.85	80.85	Apr	84.10	84.10	83.80	84.00	—.45
83.50	81.10	May	83.35	83.35	82.80	82.80	—.60
Est. Sales 1,335		Prev. Sales 1,529					
Prev. Day Open Int. 11,623 off 21							
HOGS (CME) 30,000 lbs.-cents per lb.							
63.42	43.70	Aug	56.75	57.85	56.60	57.77	+1.42
55.70	43.80	Oct	49.20	49.90	49.20	49.82	+.72
55.45	44.25	Dec	49.50	50.41	49.50	50.15	+.68
52.95	45.25	Feb	48.25	48.72	48.15	48.55	+.48
48.90	44.05	Apr	44.45	44.75	44.45	44.62	+.47
51.85	48.25	Jun	48.80	49.05	48.75	48.90	+.40
51.00	48.55	Jul	48.85	48.85	48.85	49.12	+.12
48.80	47.10	Aug	47.60	47.60	47.60	47.68	—.07
Est. Sales 7,149		Prev. Sales 12,713					
Prev. Day Open Int. 32,846 up 790							
PORK BELLIES (CME) 40,000 lbs.-cents per lb.							
49.15	39.20	Aug	47.50	49.50	47.20	47.62	—.50
63.65	48.07	Feb	53.00	54.45	52.10	52.35	—1.42
62.95	49.50	Mar	53.00	54.20	52.45	52.45	—1.50
63.00	49.50	May	53.70	54.65	53.05	53.05	—1.75
57.25	53.30	Jul	55.00	55.00	53.80	53.90	—.50
Est. Sales 2,796		Prev. Sales 3,552					
Prev. Day Open Int. 6,085 off 53							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.-cents per lb.							
120.08	77.25	Sep	94.00	94.00	92.70	93.50	+.40
109.50	81.08	Dec	97.40	97.65	94.45	97.50	+.68
116.75	83.00	Mar	100.95	101.00	100.20	100.90	+.70
123.00	91.25	May	103.00	103.10	102.70	102.65	+.45
110.00	92.75	Jul	104.95	105.25	104.95	105.20	+.45
108.90	97.50	Sep	107.10	108.00	107.10	107.00	+.20
107.35	84.90	Dec	109.50	110.10	109.50	111.00	+1.25
Est. Sales 5,493		Prev. Sales 7,324					
Prev. Day Open Int.							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.-cents per lb.							
14.13	9.78	Oct	10.50	10.58	10.45	10.49	+.02
15.22	9.72	Mar	10.36	10.45	10.34	10.36	—.07
15.06	9.80	May	10.39	10.44	10.37	10.38	
14.70	9.88	Jul	10.43	10.45	10.39	10.40	—.01
14.40	.72	Oct	10.55	10.55	10.52	10.47	—.06
Est. Sales 8,257		Prev. Sales 14,032					
Prev. Day Open Int.							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1541	941	Sep	1130	1153	1127	1141	+21
1538	965	Dec	1183	1203	1181	1198	+27
1581	985	Mar	1227	1244	1223	1243	+29
1572	1000	May	1260	1260	1258	1266	+25
1590	1060	Jul	1295	1300	1295	1294	+23
1515	1290	Sep				1330	+23
1475	1420	Dec	1340	1348	1340	1350	+21
Est. Sales 4,404		Prev. Sales 4,840					
Prev. Day Open Int.							
ORANGE JUICE (NYCE) 15,000 lbs.-cents per lb.							
202.00	122.50	Sep	179.90	181.00	178.15	179.45	+.15
199.50	124.00	Nov	168.70	169.50	168.00	168.90	+1.05

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
191.00	125.00	Jan	143.50	143.70	143.00	142.90	+.60
190.50	156.00	Mar	142.50	163.00	142.50	142.90	+.35
190.00	157.00	May				161.90	+.35
180.00	162.00	Jul				161.90	+.35
Est. Sales	16	Prev. Sales	541				
Prev. Day Open Int. 7,473 up 5							
HI GRADE COPPER 25,000 lbs.-cents per lb.							
134.20	95.00	Aug	131.50	132.50	130.25	132.50	
134.30	92.50	Sep	130.50	133.40	129.60	132.00	—.85
130.70	94.50	Oct	128.00	129.50	127.00	129.00	—.65
124.55	94.50	Nov	126.75	126.75	126.75	126.35	—.85
125.20	91.50	Dec	122.30	124.60	121.70	122.90	—.85
116.70	94.00	Jan	121.50	121.50	121.50	120.60	—.80
115.30	97.50	Feb				117.95	—.15
117.90	92.30	Mar	114.50	114.50	114.50	115.40	—.30
115.00	99.85	Apr				113.70	—.30
114.80	97.00	May	112.30	112.30	112.30	112.00	—.30
108.30	102.30	Jun				110.40	—.30
110.30	96.40	Jul				108.90	—.30
104.40	95.50	Sep				106.60	—.30
106.10	94.50	Dec	104.30	105.10	104.30	104.10	—.30
		Jan				102.90	—.30
99.25	96.80	Mar				101.70	—.30
		May				100.70	—.30
Est. Sales 8,000		Prev. Sales 8,303		Prev. Day Open Int.		Chg. unch	
ALUMINUM (COMEX) 40,000 lbs.-cents per lb.							
75.00	73.80	Aug				78.50	
76.00	73.20	Sep				80.00	
		Oct				80.00	
75.00	73.00	Dec				80.00	
75.00	73.00	Jan				80.00	
75.00	75.00	Mar				80.00	
75.00	75.00	May				80.00	
75.00	75.00	Jul				80.00	
		Sep				80.00	
75.00	75.00	Dec				80.00	
75.00	75.00	Jan				80.00	
75.80	75.00	Mar				80.00	
		May				80.00	
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.-cents per troy oz.							
511.0	477.0	Aug	495.0	495.0	492.0	496.9	+11.2
760.0	481.0	Sep	483.0	500.0	492.5	499.4	+11.1
499.0	486.0	Oct	504.0	504.0	503.0	503.1	+11.2
742.0	492.0	Dec	504.0	512.0	503.0	510.2	+11.3
488.0	499.0	Jan				512.5	+11.3
665.0	502.5	Mar	513.0	522.0	513.0	520.5	+11.5
647.0	510.0	May	523.0	523.0	523.0	527.6	+11.7
667.5	516.5	Jul	531.0	532.0	531.0	535.0	+11.9
654.0	524.0	Sep	535.0	541.0	535.0	542.9	+12.1
623.5	530.0	Dec				554.1	+12.4
596.0	546.0	Jan				557.4	+12.6
613.0	548.0	Mar	561.0	561.0	561.0	566.0	+12.7
559.0	559.0	May				574.2	+12.9
Est. Sales 25,000		Prev. Sales 6,913					
Prev. Day Open Int. 99,091							
PLATINUM (NYME) 50 troy oz.-dollars per troy oz.							
494.50	470.00	Aug				490.00	+9.60
560.50	472.50	Oct	488.50	497.00	487.50	496.30	+9.40
551.00	477.40	Jan	494.50	503.00	493.00	502.00	+9.40
554.50	485.50	Apr	504.00	504.00	504.00	507.40	+9.40
528.50	495.00	Jul	509.50	509.50	509.50	512.70	+9.40
513.00	506.00	Oct				518.40	+9.40
Est. Sales 3,867		Prev. Sales 2,172					
Prev. Day Open Int.							
PALLADIUM (NYME) 100 troy oz.-dollars per oz.							
149.50	111.65	Sep	115.25	114.75	115.00	115.50	+.65
147.00	113.00	Dec	116.50	118.50	116.50	117.20	+.85
142.00	115.95	Mar	119.50	119.50	119.50	118.70	+.85
125.25	117.50	Jun				120.00	+.85
119.40	119.40	Sep				122.00	+.85
Est. Sales 854		Prev. Sales 500					
Prev. Day Open Int.							
GOLD (COMEX) 100 troy oz.-dollars per troy oz.							
487.00	348.20	Aug	389.00	397.00	386.30	396.50	+11.30
387.00	356.50	Sep				398.90	+11.10
472.00	352.50	Oct	392.50	402.00	392.00	401.20	+11.10
512.00	357.00	Dec	397.50	406.00	396.00	405.90	+11.10
457.50	362.00	Feb	402.50	409.20	401.70	410.30	+11.20
446.20	364.20	Apr	407.80	414.50	407.00	414.40	+11.30
446.70	372.00	Jun	410.00	418.00	410.00	418.80	+11.40
468.00	375.00	Aug				423.00	+11.50
474.00	385.00	Oct				427.80	+11.60
483.00	385.50	Dec	427.00	431.50	429.00	432.60	+11.70
433.00	392.00	Feb	429.50	429.50	429.50	437.70	+11.80
429.50	396.50	Apr				442.50	+11.90
435.00	423.40	Jun	438.00	444.00	438.00	447.60	+12.00
Est. Sales 70,000		Prev. Sales 23,480					
Prev. Day Open Int. 103,561							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
93.65	91.28	Sep	92.83	92.85	92.79	92.80	
93.59	91.41	Dec	93.09	93.11	92.98	93.05	
93.28	91.66	Mar	93.03	93.06	92.98	93.01	+.02
93.06	91.92	Jun	92.76	92.76	92.76	92.74	
92.97	91.60	Sep				92.57	
Est. Sales 6,358		Prev. Sales 5,069					
Prev. Day Open Int. 39,854 off 461							
10 YR. TREASURY (CBT) $100,000 prin-pts & 32nds of 100 pct							
100-14	92-24	Sep	95-19	95-26	94-31	95-13	—6
97-31	94-9	Dec	95-16	95-17	94-28	95-8	—6
97-25	94-5	Mar				95-1	—6
Est. Sales		Prev. Sales 33,782					
Prev. Day Open Int. 70,447 off 1,447							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	91-29	91-23	90-8	90-22	—14
99-24	90	Dec	91-18	91-13	89-30	90-18	—14
99-12	79-27	Mar	90-25	90-25	89-20	90-6	—14
99-4	82-18	Jun	90-18	90-18	89-10	89-27	—14
99-6	84-4	Sep	90-3	90-3	89-2	89-17	—14
98-20	87-19	Dec	89-19	89-19	88-25	89-7	—15
98-13	87-28	Mar				88-30	—15
97-19	87-19	Jun				88-21	—15
95-12	87-14	Sep				88-12	—15
Est. Sales		Prev. Sales 415,253					
Prev. Day Open Int. 320,560							
MUNICIPAL BONDS (CBT) $1000 x index-pts & 32nds of 100 pct							
95-11	86-21	Sep	90-27	91-15	90-15	91	+4
92-21	86-30	Dec	90-9	90-24	89-27	90-11	+5
89-27	86-10	Mar				89-25	+5
89-17	87-18	Jun				89-9	+5
87-6	87-6	Sep				88-26	+5
Est. Sales		Prev. Sales 3,874					
Prev. Day Open Int. 7,336 off 285							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.38	88.74	Sep	92.16	92.20	92.11	92.12	—.02
92.40	89.25	Dec	92.27	92.30	92.18	92.23	
92.35	89.86	Mar	92.19	92.25	92.10	92.16	
92.19	89.91	Jun	91.99	92.07	91.96	91.91	—.03
92.04	90.04	Sep	91.72	91.78	91.62	91.66	—.03
91.82	89.96	Dec	91.47	91.58	91.36	91.39	—.04
91.82	90.09	Mar	91.32	91.39	91.22	91.26	—.05
91.76	90.25	Jun	91.14	91.22	91.08	91.10	—.05
91.72	90.32	Sep	91.08	91.13	90.99	91.00	—.05
91.53	90.34	Dec	90.95	91.00	90.87	90.87	—.05

Season High	Season Low		Open	High	Low	Close	Chg.
91.45	90.28	Mar	90.91	90.96	90.83	90.83	—.05
91.41	90.27	Jun	90.82	90.87	90.74	90.74	—.05
91.47	90.27	Sep	90.71	90.75	90.68	90.66	—.05
91.37	90.22	Dec	90.61	90.65	90.55	90.57	—.04
91.08	90.24	Mar	90.61	90.64	90.57	90.56	—.04
90.97	90.41	Jun	90.59	90.59	90.52	90.51	—.04
Est. Sales		Prev. Sales 131,776					
Prev. Day Open Int. 731,002 off 12,763							
BRITISH POUND (IMM) $ per pound-1 point equals $0.0001							
1.8664	1.5390	Sep	1.8546	1.8616	1.8524	1.8598	+88
1.8360	1.5640	Dec	1.8280	1.8320	1.8240	1.8310	+62
1.8066	1.4670	Mar	1.8030	1.8030	1.7966	1.8020	+44
Est. Sales		Prev. Sales 5,772					
Prev. Day Open Int. 40,222 up 269							
CANADIAN DOLLAR (IMM) $ per dlr-1 point equals $0.0001							
.8677	.8050	Sep	.8638	.8675	.8654	.8672	+3
.8574	.8050	Dec	.8582	.8575	.8559	.8575	+2
.8494	.7990	Mar	.8490	.8491	.8489	.8496	+1
.8419	.7995	Jun	.8410	.8420	.8410	.8422	
.8335	.7985	Sep	.8340	.8355	.8340	.8350	—1
Est. Sales		Prev. Sales 2,229					
Prev. Day Open Int. 41,635 off 714							
GERMAN MARK (IMM) $ per mark-1 point equals $0.0001							
.6371	.5525	Sep	.6256	.6306	.6251	.6292	+32
.6357	.5750	Dec	.6246	.6297	.6238	.6281	+32
.6365	.5880	Mar	.6237	.6237	.6237	.6267	+32
.6223	.6223	Jun				.6255	+32
		Sep				.6244	+33
Est. Sales		Prev. Sales 14,868					
Prev. Day Open Int. 72,213 off 1,901							
JAPANESE YEN (IMM) $ per yen-1 point equals $0.000001							
.007390	.006286	Sep	.006644	.006682	.006647	.006648	—29
.007080	.006290	Dec	.006642	.006678	.006642	.006648	—29
.006650	.006318	Mar	.006665	.006665	.006650	.006647	—29
Est. Sales		Prev. Sales 15,881					
Prev. Day Open Int. 60,092 up 656							
SWISS FRANC (IMM) $ per franc-1 point equals $0.0001							
.7550	.6850	Sep	.7434	.7474	.7410	.7471	+39
.7525	.6900	Dec	.7400	.7454	.7390	.7447	+35
.7500	.6580	Mar	.7428	.7420	.7380	.7421	+33
.7362	.7065	Jun				.7418	+31
.7390	.6916	Sep				.7409	+29
Est. Sales		Prev. Sales 11,706					
Prev. Day Open Int. 44,049 off 633							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.-$ per 1,000 bd. ft.							
207.10	187.10	Sep	191.00	192.40	190.70	191.50	+.80
203.10	189.50	Nov	192.40	193.30	191.90	192.00	—.30
205.50	184.30	Jan	198.70	198.90	198.30	198.60	
206.10	191.00	Mar	202.00	202.80	202.80	202.80	+.50
208.40	196.50	May	205.00	205.00	204.90	204.90	—.10
Est. Sales	419	Prev. Sales	413				
Prev. Day Open Int. 2,909 up 314							
COTTON 2 (NYCE) 50,000 lbs.-cents per lb.							
82.05	63.95	Oct	75.00	75.80	74.55	74.85	—.41
77.80	62.80	Dec	71.40	71.40	70.07	70.45	—.30
77.70	63.82	Mar	72.45	72.50	71.10	71.75	—.25
77.48	64.40	May	73.15	73.15	71.90	72.45	—.25
78.38	65.67	Jul	72.97	72.97	72.80	73.22	—.30
72.85	67.70	Oct	69.50	69.50	69.40	69.40	—.18
69.10	66.40	Dec	67.60	67.90	67.50	67.78	+.01
Est. Sales 10,000		Prev. Sales 5,119					
Prev. Day Open Int. 33,417 off 284							
HEATING OIL (NYME) 42,000 gal-cents per gal							
74.53	48.80	Sep	70.20	72.90	70.20	72.50	+2.73
74.50	50.05	Oct	71.40	72.47	71.40	72.47	+2.09
75.20	51.15	Nov	71.70	72.92	71.55	72.92	+2.00
75.40	52.37	Dec	72.30	73.57	71.90	73.58	+2.00
75.40	52.95	Jan	72.30	73.77	72.50	73.70	+1.93
74.85	52.80	Feb	71.00	72.47	70.80	72.47	+2.08
71.45	50.70	Mar	68.70	69.00	68.70	69.50	+1.38
68.15	48.30	Apr	66.30	66.60	65.80	66.25	+.93
65.00	48.40	May	64.00	65.10	63.80	64.67	+1.10
67.30	48.00	Jun	62.25	63.90	62.25	63.69	+1.12
67.80	48.00	Jul	63.60	63.70	63.60	63.70	+1.28
Est. Sales 26,663		Prev. Sales 24,289					
Prev. Day Open Int.							
CRUDE OIL (NYME) 1,000 bbl.-dollars per bbl.							
29.85	16.50	Sep	25.80	26.40	25.65	26.25	+.58
27.30	16.50	Oct	25.42	26.22	25.35	26.00	+.44
26.85	17.20	Nov	25.25	25.80	25.08	25.60	+.42
26.72	17.80	Dec	24.70	25.30	24.50	25.00	+.43
26.41	17.87	Jan	24.60	24.89	24.15	24.70	+.44
26.51	18.15	Feb	24.25	24.55	24.00	24.45	+.44
26.42	18.40	Mar	23.83	24.35	23.83	24.10	+.44
26.32	18.00	Apr	23.80	24.00	23.48	23.75	+.16
25.90	18.05	May	23.25	23.75	23.27	23.55	+.30
25.60	14.65	Jun	23.15	23.35	23.05	23.55	+.27
25.25	17.80	Jul	22.90	23.25	22.89	22.95	+.08
25.20	18.70	Aug	22.86	23.50	22.77	23.50	+.43
25.00	19.18	Sep	23.20	23.20	23.20	23.20	+.43
24.54	19.40	Oct	22.69	22.70	22.69	22.70	—.17
24.80	19.45	Dec	22.75	23.10	22.75	23.18	+.41
24.45	21.21	Feb	23.00	23.00	23.00	23.00	+.47
Est. Sales 98,250		Prev. Sales 186,459					
Prev. Day Open Int.							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	341.20	341.20	335.10	337.20	—4.10
378.90	333.50	Dec	344.50	344.80	339.30	341.20	—4.15
382.50	340.50	Mar	347.20	347.20	342.50	344.45	—4.25
383.75	344.90	Jun	346.00	346.00	346.00	348.55	—4.25
Est. Sales		Prev. Sales 32,162					
Prev. Day Open Int. 126,875 off 505							
VALUE LINE (KCBT) points and cents							
297.90	253.00	Sep	263.50	263.80	258.80	261.25	—3.25
302.10	256.00	Dec				264.45	—3.25
303.50	260.25	Mar				266.75	—3.25
Est. Sales		Prev. Sales 47					
Prev. Day Open Int. 1,333 off 70							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.00	Sep	186.10	186.35	183.25	184.55	—2.00
206.50	183.00	Dec	188.25	188.25	185.75	186.45	—2.00
207.80	187.70	Mar	190.40	190.40	188.00	188.75	—2.00
190.00	190.00	Jun	192.25	192.25	190.00	190.85	—2.00
Est. Sales		Prev. Sales 4,021					
Prev. Day Open Int.							

Commodity Indexes

	Close	Previous
Moody's	1,122.00 f	1,126.60 f
Reuters	1,788.70	1,791.30
D.J. Futures	133.41	132.67
Com. Research	237.77	235.66

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Nestlé Sales Stagnated in Half

Foreign-Exchange Fluctuations Are Blamed for Result

Compiled by Our Staff From Dispatches

VEVEY, Switzerland — Nestlé SA, the world's largest agrofood group, said Friday that group sales in the first half of this year slipped slightly from the year-earlier period, to 22.7 billion Swiss francs ($16.3 billion) from 22.8 billion francs.

Nestlé said the Swiss franc's strength against a number of important currencies, including the dollar, had the effect of reducing sales by 12 percent in the first six months of the year.

This was only "partially offset by price rises in high inflation countries," and "lower commodities prices, particularly of coffee, also play a role as they affect the selling price" on "a certain number of major markets," the group said.

Nestlé, famous for its coffee and chocolate, had to cut prices for its products in a number of important markets as commodity prices dropped.

Sales volume was up 2 percent in the first half of 1990 from the same period last year, but the group said it was "expecting better sales volume in the second half."

The company had consolidated sales of 48.03 billion Swiss francs last year, up 21.6 percent over the 1988 level, with net profit up 17.2 percent, at 2.41 billion francs.

Its group net profit rose to 2.41 billion francs last year from 2.06 billion in 1988.

Nestlé said currency fluctuations made it impossible to make an accurate forecast for full-year group sales.

It said, however, that it expected consolidated sales to improve during the second half as a result of measures it had adopted for individual products and markets.

"The company expects that the effect of the various measures, as well as the generally positive evolution of its business, will at least compensate the currency factor," it said.

Nestlé will publish its semi-annual profit and loss accounts and balance sheet in September.

Consolidated sales for the full year would depend on sales volume and exchange-rate movements, "which at the moment prevent any reliable forecasting."

With the dollar losing its luster, the Swiss franc is increasingly seen as a currency of refuge during time of international tension.

A strong franc tends to weigh on Nestlé's sales by making sales in its main foreign markets worth less when translated back into its home currency.

The company has made several significant moves in the past year. Last fall RJR Nabisco Inc. agreed to sell its Baby Ruth, Butterfinger and Pearson confection businesses to Nestlé for $370 million. Also late last year, Nestlé and General Mills Inc. announced that they would form a joint venture to develop a major breakfast-cereals business, initially in Europe.

Earlier this summer Nestlé said it was reorganizing several operations in the United States.

(Reuters, AFP)

Nippondenso Joins Venture With Fiat Unit

Compiled by Our Staff From Dispatches

TURIN — Fiat SpA and Nippondenso Co. of Japan are to set up a joint venture in Britain to produce air conditioning for cars and engine heat-control systems, the companies announced Friday.

Magneti Marelli SpA, a parts company in the Fiat group, will hold 25 percent of the venture and Nippondenso the remainder.

The venture will start operating in July 1992, making 800,000 air conditioners a year for sale to European producers of cars and industrial vehicles.

Magneti will also acquire 25 percent of ND Marston Ltd., a Nippondenso-controlled company that makes car radiators. Nippondenso will take 25 percent of Borletti Climatizzazione, a Magneti subsidiary that makes car air conditioners.

(AFP, Reuters)

Bundesbank Acts To Push Down Lira

Reuters

FRANKFURT — The Bundesbank on Friday took the bullish lira by the horns, selling the currency before it had to do so in a move that dealers say appeared to be unprecedented.

Rather than waiting for the Deutsche mark to fall to a low point against the lira at which intervention would be required, the Bundesbank sold lira for marks in the open market.

Dealers said the sales took place at about 1.3625 DM per 1,000 lira. The lira was just below its 1.3700 ceiling in the European Monetary System.

"The Bundesbank wanted to confuse the market a little," said Chris Zwermann, a trader with Oppenheim & Co.

Confirming that it had sold lira for marks, the Bundesbank stressed the sales were "intra-marginal intervention" — sales not strictly required under EMS rules because a currency has not yet reached its floor within the system.

Central banks are obliged to defend their own currencies at the lower EMS intervention point.

While the Bank of Italy has sold lira for marks on several occasions this month at the official fixing, the Bundesbank has so far stayed on the sidelines. "The Bundesbank won't *intervene until it has to*," a dealer said earlier this month.

Dealers were also surprised that the Bundesbank had intervened in the open market, rather than waiting until the official midday fixing.

"It is the first time I can remember the Bundesbank acting outside the EMS intervention levels," said one trader.

"The Bundesbank has not been a great fan of intra-marginal intervention," said a senior trader. "But this time it obviously decided to try to prevent the mark falling to its floor within the EMS."

The Bundesbank has frequently complained that current parities within the EMS are inverse, if not perverse, with currencies of countries with high inflation levels topping the EMS grid.

Currencies like the mark, the guilder and the French franc, from countries where underlying inflation is low, have slipped to the bottom of the EMS grid in recent weeks, while the lira and the peseta have been at the top of the system.

The mark's EMS weakness has prompted barely veiled annoyance from Bundesbank officials, who hope a stronger mark will reduce domestic inflationary pressures.

"The Bundesbank has made it clear it is not happy with EMS currency levels and to that extent, intervention against the lira fits in with their overall policy objective," said a Bank of Tokyo trader, Alex Blinkhorn. "It is a warning shot."

Dealers said further intervention remains possible.

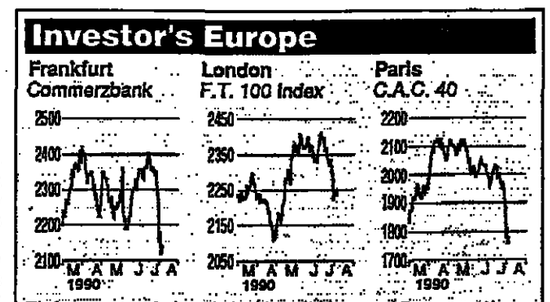
Mr. Zwermann said sales of lire for marks would have the added bonus of withdrawing marks from the currency market, stemming any potential mark fall against the dollar as well.

"The Bundesbank wants a firm mark so it does not have to worry about inflation," he said.

Higher oil prices in the wake of Iraq's invasion of Kuwait last week have heightened fear of faster domestic inflation.

Markets are also worried that the extra borrowing needed to finance German reunification will drive interest rates up.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	107.90	108.50	-0.55
Brussels	Stock Index	5862.27	5864.43	-0.04
Frankfurt	Commerzbank	2141.50	2136.90	+0.22
Frankfurt	DAX	1749.34	1755.63	-0.36
Helsinki	UNITAS	538.30	538.10	+0.04
London	Financial Times 30	1743.00	1752.80	-0.56
London	FT-SE 100	2233.80	2244.90	-0.49
Madrid	General Index	266.35	267.41	-0.40
Milan	MIB	957.60	957.10	+0.05
Paris	CAC 40	1779.83	1779.86	-0.00
Stockholm	Affarsvarlden	1226.30	1237.40	-0.90
Vienna	Stock Index	637.96	636.38	+0.25
Zurich	SBS	619.20	618.70	+0.08

Sources: Reuters, AFP International Herald Tribune

Unilever Cautious Despite 5% Gain

Compiled by Our Staff From Dispatches

LONDON — The Anglo-Dutch food and consumer-products group Unilever PLC on Friday posted a *modest* 5 percent increase in second-quarter pretax profit and sounded a note of caution about prospects for the second half.

Pretax profit totaled £477 million ($891.3 million), up from £455 million a year earlier.

"Following the progress of the first half of the year, prevailing uncertainties prompt a measure of caution when viewing the second half," said Sir Michael Angus, Unilever's chairman, in a statement accompanying the results.

The comment sent the company's shares down 40 cents to 148.90 guilders on the Amsterdam Stock Exchange.

Unilever took a cautious approach to the full-year results because of the possible effects of the Gulf crisis on disposable income in oil-importing countries. These effects could come on top of some perceived recessionary developments in, for instance, the United States and Britain, a Unilever spokeswoman said.

Although the rise in second-quarter profit was modest, it exceeded expectations. Market analysts had forecast Unilever's pretax profit in the second quarter, which ended June 30, at between £465 million and £470 million.

Net profit advanced 18 percent to £311 million from £263 million. Sales increased 14 percent, to £10.8 billion.

Most of the company's products had higher operating profit in Europe, particularly detergents, personal products and drinks, Sir Michael said.

New market opportunities in East Germany contributed to the strong performance of the company's German business, he added.

In North America, strong competition affected margins in the group's detergents business, which offset improved results in edible fats and specialty chemicals.

The group's newly acquired personal-products businesses are performing in line with expectations, the chairman added.

Despite the cautious outlook expressed by Sir Michael, some traders thought the market was overreacting.

(Reuters, AFP)

CONOCO: *Race for Profit*

(Continued from first finance page)

turn the crude into refined products try to buy contracts for both for delivery at a future time, to "lock in" the difference.

Conoco did that some weeks ago, but now finds that the changing market conditions make it advantageous to take the profits without actually buying the oil, refining it and selling the product.

In effect, it decided to run a "paper refinery" by liquidating its position. Thursday it was selling crude and buying the refined products, to cancel out the initial deal.

At the same time, it was also trying to sell a contract that guaranteed the holder the right to buy a million barrels of oil at $27 apiece.

Conoco traders wanted 40 cents a barrel for the contract, but the market was offering only 15 cents. They were unable to sell.

Obviously oil trading these days takes place in an atmosphere even more volatile and uncertain than usual.

At an early morning meeting, a dozen Conoco traders met in a windowless conference room and swapped insights.

The manager of international trades, Dennis Schwiderski, opened by saying that the Far East and European markets had changed little in the past few hours, because there had been "a lot of news articles out, but no invasions."

There was also interpretation; Venezuela, for example, said it would raise production, but the only action Conoco could find was some Guanipa crude being taken out of storage in Curaçao and offered for sale.

And the price of Alaska North Slope crude was rising in comparison with West Texas Intermediate, the American benchmark, because Alaska crude more closely resembles the Iraqi and Kuwaiti crudes that have been lost to the market.

That trend has already affected Conoco's complicated trading system; Thursday the company sold a 450,000-barrel tanker load of Alaska crude because it thought the crude was overvalued.

It used the proceeds to buy 200,000 barrels of West Texas Intermediate from another company.

Bobby L. Morehead, in charge of refinery supply, decided to wait to buy the rest, figuring that prices will go down.

At the end of the day, Mr. Miller was proved right. West Texas Intermediate closed at $25.67, down 29 cents, and he had sold near the top of the market.

Contracts for 106 million barrels changed hands, about double the amount of actual oil in world commerce. But Mr. Miller was not gloating.

ISS Inc. Ponders Franchises As Profit Lags in First Half

Reuters

COPENHAGEN — International Service System Inc., the U.S. unit of the Danish office-cleaning and security concern International Service System A/S, said Friday that in the interest of efficiency it is considering the sale of some parts of its operations or running them as joint ventures.

ISS Inc. reported a drop in first-half net profit to $1.3 million, down from $1.87 million in the same period a year earlier. Revenue increased to $245.8 million from $240.5 million.

In a statement with its first-half results, the company said that some parts of the business may be more efficient under local ownership.

First-half results included unspecified provisions for costs arising from the parent firm's proposal to take over full ownership of the U.S. unit.

The results also included provisions for income from the company's sale of some of its operations.

The per-share earnings figure, up 18 percent, take account of 25,000 convertible preference shares issued to the ISS parent company in connection with the December 1988 purchase of the ADT Inc. maintenance division.

Capel, Midland Form A Spanish Brokerage

Agence France-Presse

LONDON — The British brokerage James Capel & Co. and the investment bank Midland Montagu have set up a joint stockbroking operation in Spain, the two companies announced Friday.

James Capel-Midland Agencia de Valores will deal in Spanish stocks and provide research.

The move marked a further step in the close cooperation between James Capel's parent company, Hong Kong & Shanghai Banking Corp., and Britain's Midland Bank PLC, the parent company of Midland Montagu.

The two banks have already pooled part of their data system and cash-dispenser networks.

The new Spanish operation will be capitalized at 150 million pesetas ($1.5 million), with Midland Montagu holding 70 percent and Capel the remaining 30 percent.

The City of London is avidly watching all signs of closer ties between Hongkong Bank and Midland. Financial analysts are expecting the two major banks to merge at the end of the year, with Hongkong Bank increasing the 14.9 percent stake in Midland it acquired three years ago.

Some analysts consider that the rival networks of James Capel and Midland Montagu are one of the major obstacles to a merger.

■ French Exchanges Pay

The French Stock Exchanges Association said Friday that it had paid 109 million francs ($20.4 million) to the CAC-Titrisation mutual securitized loan fund to cover a loan it made to the failed brokerage Tuffier, Ravier, Py.

This loan was included in the 672 million francs of credits bundled together in December 1989 in France's first such securitized loan fund. The stock exchanges association, SBF, had made the loans to various brokers to help them modernize.

The SBF chairman, Régis Rousselle, confirmed a report in the business daily Les Echos, which said the SBF committed itself to guaranteeing the loans when the fund was launched.

If you wish to sell

Estate Jewellery and Exceptional Gemstones,

we provide expertise, counsel, and all purchasing possibilities. 25 years of personal experience. Discretion, security worldwide.

For appointment, contact

THOMAS FÄRBER

CH-1204 Geneve, 5, rue du Marché Switzerland

Phone (41 22) 214844, Fax (41 22) 214824

Coca-Cola and Schweppes To Build Plant in England

Agence France-Presse

LONDON — Coca-Cola Co. and Cadbury-Schweppes PLC have agreed to build a joint plant for bottling soft drinks in England, the companies announced Friday.

Costing £100 million ($187 million), the project will require equally shared investment over three years. The two companies already have a joint distribution firm.

In April, the British regulatory commission on monopolies began an investigation into concentration in the soft-drinks market.

The commission will decide if any single soft-drink company holds more than 25 percent of the market, a share that is legally defined as a monopoly.

In May, Cadbury-Schweppes bought the nonalcoholic drinks business of the Source Perrier SA of France.

In 1989, Coke paid $140 million for control of its own distribution in France, buying a subsidiary of Pernod Ricard SA that had held the rights since 1947.

WINDFALL: *Embargo in Gulf Could Fill Soviet Till*

(Continued from first finance page)

barrels a day caused by the international boycott of Iraqi and Kuwaiti oil.

Indeed, the Soviet Union has been struggling to prevent a further decline in production, down about 5 percent this year after dropping 3 percent last year.

"Even if they wanted to increase production, they couldn't do so," said Coby van der Linde, an expert on Soviet oil at the Oxford Institute for Energy Research in Britain.

"There is a shortage of oilfield equipment. There seems to be some unrest in the oilfields. The fields are not well maintained and many are getting old."

Oil analysts say the Soviet Union has reduced investment in the oil industry, which long absorbed 40 percent of the nation's industrial investment.

"They cannot change their investment policy within one or two weeks," said Ulrich Weissenburger, an expert on the Soviet economy at the German Institute for the Economy in West Berlin.

"Maybe if higher prices remain for a long period they will change their policy. But the priority of Soviet officials right now is to improve the situation in consumer goods."

The key to future Soviet oil development, many industry officials say, is Western cooperation.

Elf-Aquitaine, France's largest oil company, has agreed to explore for oil north of the Caspian Sea. Elf would obtain a percentage, now being negotiated, of any oil produced.

Chevron Corp. is talking with Soviet officials about developing a large field in western Kazakhstan.

"The potential in the Soviet Union, especially in Russia, is huge," said Mari Buglass, a senior oil analyst with Shearson Lehman in London.

She said Western companies were hesitant to push ahead with cooperative deals because of so much economic uncertainty.

For example, Boris N. Yeltsin, president of the Russian Republic, claims that his republic controls its own oil resources. President Mikhail S. Gorbachev likes to think they are controlled by the nation.

"Western oil companies want to know whether they will earn their money back and whom they will be dealing with," said Ms. Buglass.

"That's the only thing holding Western companies back."

Because Soviet oil output is down and because the country is desperate for hard currency, Moscow last month suddenly cut back oil shipments to Hungary and Czechoslovakia by 13 percent.

Some of this oil was diverted to the West.

This has forced these two countries to buy at world market prices, with Hungary agreeing to buy about 2 million barrels from Algeria and Libya.

Poland agreed to buy 7 million barrels from Iraq.

The Soviet cutback has caused Czechoslovakia to raise gasoline prices by 50 percent and has crippled the nation's chemical industry.

Jan Klacek, an economist with the Czechoslovak Academy of Sciences, estimates that buying oil at world prices would increase inflation in his nation by more than 5 percent.

"This could knock the already weak economies of of Eastern Europe into a tailspin," said Robert Hormats, vice chairman of Goldman, Sachs and a former U.S. assistant secretary of state.

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

Coming November 12th in the IHT's 1992 series:

Environment and Industry

Among the topics to be covered:

- Interview: a leading expert will discuss the role of business in combating pollution.
- Marketing: the impact of the environmentally-conscious consumer.
- EC environmental directives.
- Influence of the Green movements across Europe.
- Tax incentives for non-polluters.
- Investing Green — the new investor interest in environmental industries.
- Waste treatment, Recycling and disposal.
- The United States: an example for Europe?
- Alternative energy sources.
- The water-pollution problem.
- Land Trusts and their influence on real estate developments.
- Debt-nature swaps: an unconventional solution to Third World debt problems.

For advertising information, contact your nearest IHT office or Paris headquarters.

The International Herald Tribune is honored to welcome these world-renowned companies as sponsors of its 1992 series.

ALCATEL · WestLB Die Westdeutsche Landesbank · RHÔNE-POULENC · Allianz · In Touch with Tomorrow TOSHIBA

International Herald Tribune

Supplements Manager, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telex: 613595. Fax: (33-1) 4637 50 44.

AMEX

Friday's Closing

Tables include the nationwide prices up to the 4 p.m. New York time edition of the last trades tabulated by The Associated Press

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in the NASDAQ system. It is updated twice a year.

Samsung Joins Big-Chip Club

Compiled by Our Staff From Dispatches

SEOUL — Samsung Electronics Co., part of South Korea's Samsung conglomerate, announced Friday that it had produced a 16-megabit DRAM semiconductor chip, one of the most powerful memory chips developed so far.

South Korea has thus become the third country in the world to develop the high-technology dynamic random-access memory chip, after Japan and the United States, Samsung officials noted.

A Samsung spokesman said the company plans to begin commercial production of the chip from the second half of 1991 after expanding its production lines early next year.

The new memory chip has four times the capacity of the four-megabit DRAM that is currently widely used in computers and other electronics products. About the size of a thumbnail, the 16-megabit chip is capable of storing two million characters.

Samsung is also producing 7.5 to eight million one-megabit DRAM chips a month, an amount second only to Toshiba Corp. of Japan, and between 300,000 and 500,000 units of four-megabit DRAM chip a month, the spokesman said. Monthly output of four-megabit DRAM will rise to one million units by the end of this year, he added.

Only four companies — Japan's Hitachi Ltd., NEC Corp. and Toshiba of Japan and International Business Machines Corp. of the United States — have so far succeeded in making and distributing 16-megabit chips.

The chips are used, among other applications, in high-definition television sets, sophisticated workstations and supercomputers.

Samsung Electronics had a pretax profit of 158 billion won ($221 million) on sales of 4 trillion won, but industry sources said the company has been losing money in semiconductors due to a glut on the world market.

The company plans to increase microchip sales to a value of $2 billion in 1991 from an expected $1.45 billion this year.

Japanese semiconductor makers overwhelmed their American competitors in the DRAM market during the 1980s but have made smaller inroads into the market for microprocessors, which integrate all of the components of a computer's central processing unit on a single chip.

Since 1986, Motorola Inc. of the United States has been involved in a joint venture with Toshiba, using the Japanese company's technology to make semiconductors.

Semiconductor makers are now focusing efforts on the 64-megabit DRAM.

Hitachi said in June that it had developed a prototype, though some analysts greeted the announcement with skepticism and many have said that such a chip could not be available for commercial production until 1995 at the earliest. *(AP, Reuters, AFP)*

Beijing Plans New Rail Line To Hong Kong

Reuters

BEIJING — China plans a new 15.6 billion yuan ($3.3 billion) railroad line linking Beijing with Hong Kong to ease congestion on the existing rail system, the official newspaper China Daily said Friday.

The newspaper did not give a schedule for completion of the proposed 2,364-kilometer (1,470-mile) railroad, but it did say one goal was to provide "necessary preparation" for the return of the British colony.

China's rail system is overloaded and unable to keep up with development needs. Much of China's trade relies on Hong Kong.

In March, China's railroad minister said the nation would increase investment in its overworked railroad system.

Taipei Unveils Plan For Saving Energy

Agence France-Presse

TAIPEI — Taiwan's Economic Ministry on Friday announced an extensive energy-saving program and decided to renew plans to build a fourth nuclear power plant in the face of unsteady crude supply and the rising cost of oil imports.

Under the conservation program proposed by the Energy Commission, all government offices and state enterprises were asked to cut energy consumption by at least 10 percent, said the vice economic minister, Chiang Pien-kun.

The conservation plan, which still needs Cabinet approval, is aimed at riding Taiwan through the current oil crisis triggered by Iraq's invasion of Kuwait. It aims to foster public awareness of energy conservation, because domestic consumption had reached a high in the last few days, an energy official said.

With temperatures up to 38 degrees Centigrade (100 degrees Fahrenheit), the island consumed a record 14.4 million kilowatts of power on Thursday. That is close to the country's total power-generation capacity of 16.5 million kilowatts.

The conservation plans include suspending imports of large cars and exports of steel and cement, which consume too much energy to produce, Mr. Chiang said.

He urged Taiwan residents to join the energy-saving campaign, asking for restraint in the use of air conditioners and other electrical appliances.

Premier Hau Pei-tsun on Thursday ordered the Economic Ministry to refresh plans to build nuclear power plants in order to meet future demand.

Plans by the state monopoly, Chinese Petroleum Corp., to build Taiwan's fourth nuclear power plant, which would consist of two generators with a total installed capacity of two million kilowatts, started in 1983.

But the 160 billion Taiwan dollar ($5.9 billion) project has been shelved under pressure from environmentalists and from residents of Yenliao along Taiwan's northeastern coast, the proposed site of the plant.

The three existing nuclear power plants, with a combined capacity of 5.1 million kilowatts, account for 13 percent of the power generated by CPC.

Energy-scarce Taiwan imports an average 431,000 barrels of crude daily to generate 51.5 percent of the power consumed by 20 million people. It bought an average of 75,000 barrels daily from Kuwait — about 17 percent of its total needs — but none from Iraq. On Wednesday, the company decided not to take delivery of oil from Kuwait.

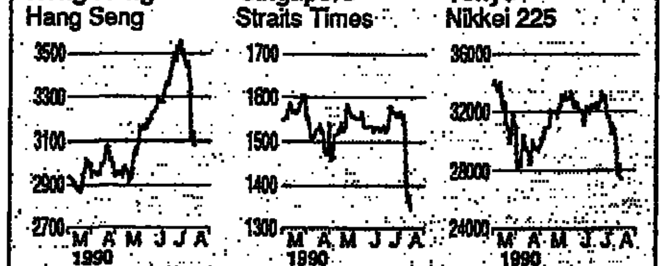
Saudi Arabia has also been a major crude supplier, selling Taiwan a daily average of 145,000 barrels, or 33.3 percent of the island's imports.

Economic officials have said Taiwan would have to start rationing fuel if a war broke out in the Middle East and affected oil supplies from Saudi Arabia.

CPC said Friday that it is also negotiating possible purchases of oil supplies from Iran, Nigeria, Oman and Gabon.

Investor's Asia

Hong Kong Hang Seng — Singapore Straits Times — Tokyo Nikkei 225



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3078.97	3091.12	-0.39
Singapore	Straits Times	1343.66	1375.72	-2.33
Sydney	All Ordinaries	1569.10	1562.60	+0.40
Tokyo	Nikkei 225	27329.55	27615.73	-1.04
Kuala Lumpur	Composite	565.06	560.72	+0.77
Bangkok	Book Club	805.69	791.08	+1.85
Seoul	Composite Stock	658.94	638.64	+3.18
Taipei	Weighted Price	4094.78	4232.21	-3.25
Manila	Composite	856.71	871.18	-1.66
Jakarta	Barclays	591.97	593.47	-0.25
New Zealand	National Index	1690.98	1705.80	-0.87
Bombay	Stock Index	536.05	527.99	+1.53

Sources: Reuters, AFP — International Herald Tribune

HICOM Posts Large Increase In Group Profit

Reuters

KUALA LUMPUR — The state-owned Heavy Industries Corp. of Malaysia Bhd. said Friday its group pretax profit for the year ended March 31 rose fivefold from the year earlier, to 236 million ringgit ($87.4 million).

Group sales jumped to 1.56 billion ringgit from 951.5 million, the chairman, Jamil Jan, told a news conference.

HICOM, started by Prime Minister Mahathir Mohamad to spur Malaysia's heavy industries program, suffered a loss of 321.5 million ringgit in 1987-88.

Mr. Jamil attributed the better performance to the strong contributions by all companies within the group.

The HICOM group includes Malaysia's national car manufacturer, Perusahaan Otomobil Nasional Bhd., and its distributing arm, Edaran Otomobil Nasional.

Hot Summer Helps Japan's Brewers

Reuters

TOKYO — The Japanese are reacting to one of the longest, hottest summers in years by gulping down beer in record amounts, much to the delight of the nation's breweries.

Beer sales are rising at such a heady rate that Kirin Brewery Co., Japan's top brewer, has raised its parent company net profit forecast twice since February.

Kirin now forecasts net profit of a record 36 billion yen ($240.4 million) in the current calendar year, up from 34 billion yen forecast in July. Its original forecast, in February, was for 25 billion.

Kirin's current record net profit is 34.06 billion yen, set in 1987. Last year, net totaled 28.27 billion yen.

Overall beer demand in Japan is expected to rise from 5 to 8 percent this year from the 6.05 billion liters (1.57 billion gallons) consumed last year, spokesmen for Japan's breweries estimate, citing the summer's heat as the major reason. Earlier this year they had forecast 3 to 4 percent growth.

Most of Japan has had higher than normal temperatures in June and July, according to Japan's Meteorological Agency. Average temperatures are forecast for August and September and slightly higher than normal in October.

"If the weather forecasts are right, the breweries could achieve the sales they forecast," said one analyst, who cautioned that beer sales in Japan are very dependent on the weather so it is difficult to predict what will happen next year.

An abundance of new and imported products on the market has added to demand.

For instance Kirin, which posted a 49.3 percent rise in interim net profit, attributed part of its growth to an unexpected high demand for its new Ichiban Shibori beer. A Kirin spokesman also pointed to a recovery in demand for its traditional lager beer.

Kirin estimates overall parent sales at a record of 1.32 trillion yen in 1990, up 1.20 trillion in 1989.

Sapporo Breweries Ltd., which sells beer made by Milwaukee-based Miller Brewing Co., a unit of Philip Morris Cos., estimates 1990 sales of Miller beer at 500,000 cases, up 50 percent from a year ago.

Heineken Japan KK, the local sales firm for Heineken beer, owned 51 percent by Heineken NV of the Netherlands and 49 percent by Kirin, estimates its beer sales at one million cases in calendar 1990, up 10 percent.

Suntory Ltd., meanwhile, is predicting a 13 percent rise in beer sales. Of this, sales of foreign brands such as Budweiser and Carlsberg are expected to rise 30 percent, a company spokesman said.

Hong Kong Prime Rate Is Reduced to 10.5%

The Associated Press

HONG KONG — Hong Kong's leading banks decided Friday to cut their prime lending rate by 0.5 percentage point to 10.5 percent, effective Monday.

Hongkong & Shanghai Banking Corp. and Standard Chartered Bank, the colony's two currency-issuing banks, announced the cut in the prime rate. It was the first prime rate change in Hong Kong since April and the first decline since August last year.

Gulf Events Trouble Taiwan Market

Reuters

TAIPEI — The ailing Taiwan stock market has lost two-thirds of its value in six months, and analysts said Friday that the crisis in the Gulf had helped kill any remaining optimism in a bourse that once seemed indomitable.

On Feb. 10, the index closed at a record high of 12,495.34, having climbed almost 30 percent since the end of 1989.

But on Friday, exactly six months later, it closed at 4,094.78, 67 percent below the record and the stock exchange's lowest level since April 27, 1988. Market capitalization at the end of January — about $298 billion — has dropped to about $102 billion.

Daily trading volume, which averaged 146.8 billion Taiwan dollars ($5.4 billion) in February, has plummeted to about 52 billion dollars this month.

"Psychologically everyone is uneasy, whatever buyers there are are cautious, and there's a dread of the Middle East situation and of collapse here," said Hsu Daw-yi, senior vice president at King's Securities Investment Consulting Corp.

After climbing in an almost weightless fashion for nearly three years, the Taiwan market's decline in the last six months has wiped out thousands of paper fortunes and caused real hardship for many small investors.

The Gulf crisis has hit this oil-importing nation especially hard because sentiment here was already poor.

Since Aug. 1, when the market looked like it might be ready to have a small recovery, the index has tumbled by more than one quarter. Rumors that a U.S.-Iraqi war has already broken out buffet the market daily, getting exaggerated as they pass from one player to another.

Analysts said, however, that the Gulf crisis simply masks continuing serious troubles in the market.

In addition to private investors, the huge financial sector that sprang up in the past three years to service the bull market is in trouble as well, analysts said.

Of the 364 brokerages, only six have so far halted business. But these statistics hide more serious trouble, analysts said.

"There's not going to be any good news coming out of the brokerage industry," said Peter Kurz, managing director of Baring Securities Ltd. "There's no way even half can remain profitable."

The market collapse has affected the economy at large, with retail sales, especially of luxury items, hard hit, economists said.

Some analysts remain optimistic that the Taiwan market may surprise doomsayers, as it has before. In the casino-like atmosphere of the bourse, all that is needed is for a few of the major players — known as "big hands" — to start buying. Bargain hunters could then jump in to ride the roller coaster once more.

"By any yardstick," said Leon Ku, general manager of James Capel Taiwan Ltd., the fall "has been overdone. I believe the market will reverse itself."

TO OUR READERS IN SWITZERLAND

It's never been easier to subscribe and save. Just contact us at our Zurich office. Phone: (01) 481 7200 Fax: (01) 481 8288

ADVERTISEMENT

INTERNATIONAL FUNDS

August 10, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

ABACUS FUNDS
(m) Abacus Fund Ltd. $
(b) Abacus Guart.Fd. Mar.'94 $ 9.88
(m) Abacus Guart.Fd. July'95 $
ABC INVESTMENT & SERVICES CO (E.C)
(m) ABC FUTURES FUND LTD $ 101.50
ABN BANK L.D.M. P.O. Box ..., Amsterdam
(w) ABN-Aandelenfonds FL 75.26
(w) ABN-Beleggingsfonds FL 61.67
(w) Aldollar $ 22.00
(w) Alrenta FL 150.30
(w) America-Fund (I.E) $ 167.22
(w) Asian Tigers Fund $ 37.00
(w) LDC Risk Inv. Fund $ 1074.72
(w) Trans Europe Fund FL 86.14
(w) Trans Europe Fund $ 46.46
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 23.51
ALFRED BERG
(w) Berg Norden Sicav $ 165.34
Alfred Berg Sicav:
(w) Global $ 135.25
(w) Germany $ 145.90
(w) Switzerland $ 114.67
(w) Netherlands $ 99.90
AL-MAL BANK LIMITED
(w) Investment Units $ 108.38
(w) Currency Units $ 113.82
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Americas Fund $ 267.42
(m) Alpha Futures Fund Ltd. $ 122.43
(m) Alpha Global Fund $ 434.09
(m) Alpha Hedge Fund $ 338.85
(m) Alpha Pacific Fund Ltd. $ 226.60
(m) Alpha Short Fund Ltd. $ 104.23
(m) Curren-Alpha Hlth Care Fd. $ 273.26
(m) Nicholas-Applegate Hpe Fd $ 112.59
(w) Heisei Japan Fund Y 17584.00
(w) Nicholas-Applegate Aurelio $ 152.56
ARRAL ASSOCIATES LTD
(w) Arral Int'l Hedge Fund $ 89.10
(w) Arral Asian Fund $ 126.67
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 851.00
(d) Conbar SF 1602.00
(d) Equibaer America SF 1805.08
(d) Equibaer Europe SF 1519.00
(c) Equibaer Pacific SF 987.00
(d) Stockbar SF 1889.00
(d) SFR-BAER SF 967.00
(d) Swissbar SF 2320.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10197.88
(b) Germany Fixed Income DM 98.79
(b) Netherlands Fixed Income FL 100.74
(b) US Dollar Fixed Income US$ 104.54
(b) Japan Equity US$ 79.01
(b) Pacific Equity US$ 104.59
(b) Intl Portfolio 'A' US$ 102.02
(b) Intl Portfolio 'B' ECU 99.14
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,288.79
(r) Multicurrency Ecu ECU 1,288.42
(r) Multicurrency Yen Y 272,514.00
(r) Multicurrency FFR FF 10,948.57
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND $ 207.86
(w) INTERBELGIAN FB 57,134.00
(w) INTERECU FUND 'A' ECU 255.54
(w) INTERECU FUND 'B' ECU 1049.19
INTER CASH
(t) France Securite FF 12442.85
(t) Franco Monetaire FF 10,855.15
(t) ECU ECU 1,401.92
(t) US$ $ 1,072.92
(t) DM DM 2,137.87
(t) GBP £ 1,072.72
(t) FRF FF 14,710.99
(t) France Capital FF 11,695.73
INTER OPTIMUM
(w) BEF/LUF FB 72,875.00
(w) Multidevises DM DM 2,018.90
(w) US$ $ 996.43
(w) FRF FF 10,507.82
INTER STRATEGIE
(w) France FF 9,565.34
(w) Europe du Nord £ 1,000.34
(w) Europe du Centre DM 2,208.74
(w) Europe du Sud ECU 1,042.93
(w) Japon Y 142,102.00
(w) Amerique du Nord $ 1,033.31
(w) Sud-Est Asiatique $ 972.25
BNP JERSEY
INTER CURRENCY
(w) US$ $ 11.6772
(w) DM DM 22.6560
(w) GBP £ 12.2300
(w) International Managed $ 11.5073
INTER EQUITY
(w) French Offer $ 19.33
(w) Pacific Offer $ 26.42
(w) North American Offer $ 12.41
(w) European Class $ 12.45
(w) Australia Class $ 10.83
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
(w) Int'l Equity Fund (Sicav) $ 11.48
(w) Int'l Bond Fund (Sicav) $ 11.87
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 36.57
(w) Asian Income Fund $ 8.89
(w) Diverbond SF 76.60
(a) Dual Futures Fd. Class A Units $ 108.01
(m) Dual Futures Fd. Class B Units $ 106.90
(m) Dual Futures Fd. Class C Units $ 102.96
(a) Dual Fut. Fd. Class D Units $ 103.07
(w) FIF-Internat. Div.A $ 20.17
(w) FIF-Internat. Div.B $ 21.22
(w) FIF-Internat.America $ 15.80
(w) FIF-Internat.Europe $ 34.10
(w) FIF-Internat.Japan Y 1,084.00
(w) FIF-Internat.Pacific $ 46.08
(w) FIF-Int'l S'pore+Malay. SG$ 9.40
(w) FIF Int. Nat. Res. A $ 12.88
(w) FIF Int. Nat. Res. B $ 13.22
(w) FIF Int. Switz. SF 97.35
(w) France International FF 97.17
(w) France Blue chips No1 FF 129,339.01
(m) Galaxy Futures Fd Ltd $ 115.10
(w) Gestion Selective FF 4,714.06
(w) Himalayan Fund $ 10.12
(w) Indosuez Australia Fund $ 4.365
(d) Indosuez Hong Kong Fund $ 17.455
(w) Indosuez Mult. Div.A $ 134.72
(w) Indosuez Mult. Div.B $ 298.38
(w) Indosuez Multibonds US$ $ 109.86
(w) Indosuez Multibonds YEN Y 10,289.00
(w) Indosuez Mult. DM DM 185.49
(w) Intl Bond Fund $ 11.830
(w) IPNA-3 $ 1120.00
(w) ISA Japan Reg. Gr. Fd. Y 1,000.00
(w) Japan Fund $ 13.570
(d) Japan Warrant Fund $ 4.750
(w) Malacca Fund $ 16.54
(w) Managed Trust $ 21.360
(w) Maxima Fund $ 8.74
(w) New Zealand Fund $ 7.640
(w) North American Fund $ 12.015
(w) Oriental Ventures Trust $ 48.130
(w) Pacific Gold Fund $ 12.77
(w) Pacific Trust HK$ 26.810
(w) Pacific Warrant Trust $ 8.265
(w) Precious Metals Trust $ 10.745
(w) The Dragon Fund Sicav $ 99.55
(w) The Slam Fund $ 28.13

(w) Slag. & Malay. Trust $ 15.830
(d) Worldwide Growth Fund $ 9.730
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 975.25
(w) Daiwa LCF Rothschild $ 1,841.68
(w) Ecu D'Or ECU 82.80
(w) Hippon Int'l Fund ECU 10.79
(b) Pri-Tech $ 1223.99
(b) Source Sicav $ 12.22
BANQUE E. DE ROTHSCHILD-LUX. SA
(b) Cursiter BP Fixed Inc.Fund DM 104.25
(b) Cursiter BP General Fund DM 129.84
(b) Exeter Fund LF 9394.00
(b) Gecem Japon Fund $ 10.27
(b) Governm. Sec. Fund $ 67.59
(b) Leicom $ 2787.51
(b) Opportunities Fund $ 736.40
(b) Priflur $ 543.48
(w) Prime fund DM 49.34
(w) Rente Plus SF 4,869.00
(f) Select. Horizon Dev. FF 56267.15
(f) Select. Horizon FF FF 40898.53
(b) Star Conv.Fund FL FL 10,522.00
(b) Star Conv.Fund USD $ 106.06
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) Interbond Chf. SF 69.43
(w) Intelsec Chf. SF 7161.38
(w) Universal Intelbond $ 15.52
(w) Universal Intelsec $ 16.91
(w) Universal Intelbond FF 101.92
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.53
(d) Non-$ Money Market DM 32.63
(d) $ Bond $ 13.87
(d) Non-$ Bond DM 38.37
(d) European Equities $ 184.36
(d) Global Equity $ 17.51
(d) Global Bond $ 14.39
(d) Global Bond & Equity $ 14.85
(d) Pacific Equities $ 18.11
(d) Prec. Metal/Min. Secs $ 6.77
B.W MANAGED ASSETS CY, SICAV
(f) Global Bond Fund ECU 10.21
(f) European Securities Fd. ECU 14.80
(f) French Securities Fund FF 135.84
(f) North American Secs.Fund $ 13.23
(f) Pacific Basin Secs. Fund $ 9.42
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,044.05
(d) Fructilux-Obl.Euro ECU 1,116.57
(w) Fructilux-Act.Fses FF 6,861.26
(w) Fructilux-Act.Euro ECU 1,241.81
(w) Fructilux court terme FF 6,244.81
CALLANDER
(w) Callander Emer. Gr. $ 109.43
(w) Callander F-Asset $ 92.13
(w) Callander F-Austria AS 1,497.52
(w) Callander F-Spanish Ptas 9,841
(w) Callander Swiss Gr. SF 150.14
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 95.76
(w) Capital Italia SA $ 43.07
CCF - GAMMA
(d) CM Actibonds $ 36.00
(d) CM Global Growth $ 10.72
(w) Elysees Court Terme FF 42,312.38
(w) Elysees Long Terme FF 54,787.71
(w) Elysees Monetaire FF 64,980.61
(w) EMF Sterling (A & B) £ 546.50
(w) EMF Dutch Gul.(A&B) FL 1029.90
(w) EMF D-Mark (A&B) DM 971.61
(w) EMF Ecu (A & B) ECU 1,048.29
(w) EMF US Dollar (A & B) $ 1,082.09
(w) EMF Yen (A & B) Y 98492.00
(w) Europe Prest. Fd A ECU 10.10
(w) Europe Prest. Fd B ECU 11.88
(w) Euro. Smlr Cos. Fd.A ECU 15.67
(w) Euro. Smlr Comp.Fd.B ECU 15.67
CDC INTERNATIONAL
(w) CFI Court Terme FF 127,506.49
(w) CFI Long Terme FF 112913.31
CIC GROUP
(d) Oblicic Monetaire FF 12392.53
(d) Oblicic Court Terme FF 12480.47
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1400.38
(d) Citicurrencies Managed $ 121.08
(d) Citinvest Ecu Income ECU 1304.37
(d) Citinvest Manag. Growth $ 1221.30
(d) Cit.Mana.Growth Euro ECU 1025.94
(d) Citinvest Selector $ 898.87
(d) Citinvest Guardian $ $ 1071.12
(d) Citinvest Guard. Euro ECU 1079.80
(d) Citiport N.A Equity $ 154.33
(d) Citiport Jap. Equity Y 9,417.00
(d) Citiport U.K. Equity £ 112.35
(d) Citiport S.Asian Eq. $ 138.27
(d) Citiport Cont.Euro. Eq. ECU 144.83
(d) Citiport N.A.S Bond $ 118.08
(d) Citiport Euro Bond ECU 106.02
(d) Citiport AS.Pac.Bd. Y 11,005.00
CITITRUST
(w) US $ Equities $ 288.14709
(w) US $ Bonds $ 12.80506
(w) US $ Money Market $ 13.45361
(w) Citiland $ 719.89071
(w) Citiperformance PN S.A $ 9.88625
(w) Global Equities $ 8.79000
(w) Global Money Market $ 12.52000
(w) Global Bonds $ 11.19000
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond: Dollar Medium Term $ 11.06
(w) Bond: Ecu Multicur. ECU 10.21
(w) Equity: United Kingdom £ 9.22
CONTINENTAL PACIFIC GROUP
(m) Intl Metals Inv. Corp. $
(m) Intl Lig. I Inv. Corp $
(m) Intl Bonds Inv. Corp. SF
(m) Intl Lig. II Inv. Corp. SF
(m) Intl Spec. II Inv. Co. $
(m) Intl Shares Inv. Corp. $
CREDIT AGRICOLE: MOSAIS
(d) Actions Bassin Pacif. $ 15.41
(d) Actions Europeennes ECU 14.85
(d) Actions Francaises FF 99.99
(d) Actions Int. Div. $ 105.47
(d) Actions Japon Y 2704.22
(d) Actions Nord-Am. $ 16.70
(d) Court Terme ECU ECU 15.71
(d) Court Terme FRF FF 104.75
(d) Court Terme USD $ 14.97
(d) Oblig. Europeennes ECU 15.71
(d) Oblig. Francaises FF 104.65
(d) Oblig. Int. Rendt. $ 16.36
(d) Oblig. Int. diversifiees FF 103.74
(d) Oblig. Int.Div.Sarab.Rad FF 104.61
(d) Oblig. N. Americaines $ 15.08
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 73.75
(d) Bond Valor Swf SF 96.80
(d) Bond Valor US-DOLLAR $ 125.01
(d) Bond Valor D-mark DM 103.71
(d) Bond Valor Yen Y 10,152.00
(d) Bond Valor £ Sterling £ 92.24
(d) Convert Valor Swf SF 144.55
(d) Convert Valor US-DOLLR $ 192.92
(d) CSF International SF 126.00
(d) Actions Suisses SF 586.50
(d) Europa-Valor SF 218.50
(d) Energie-Valor SF 752.75
(d) Canasec SF 519.00
(d) Ussec SF 691.00
(d) Pacific-Valor SF 138.75

(d) CS Eu. Blue Chips A DM 260.85
(d) CS Eu. Blue Chips B DM 260.85
(d) CS Gold Valor $ 145.93
(d) CS Ecu Bond A ECU 99.30
(d) CS Ecu Bond B ECU 122.93
(d) CS Euro Finance Fd.'A' DM 231.61
(d) CS Euro Finance Fd 'B' DM 231.61
(d) CS Europa Bond 'A' DM 248.39
(d) CS Europa Bond 'B' DM 271.72
(d) CS Gulden Bond A FL 95.93
(d) CS Gulden Bond B FL 112.57
(d) CS Hispano Iberia Fd 'A' PTS 23,971.00
(d) CS Hispano Iberia Fd 'B' PTS 23,971.00
(d) CS Money Market Fund C$ 1,004.18
(d) CS Money Market Fund ECU 1,004.32
(d) CS Prime Bond 'A' DM 88.30
(d) CS Prime Bond 'B' DM 99.89
(d) CS Short-T. Bd DM A DM 97.05
(d) CS Short-T. Bd DM B DM 114.09
(d) CS Short-T. Bd $ A $ 101.56
(d) CS Short-T. Bd $ B $ 123.98
(d) CS Money Market Fund $ 1528.11
(d) CS Money Market Fund DM 1314.57
(d) CS Money Market Fund £ 1701.85
(d) CS Money Market Fd Yen Y 122114.00
(d) CS Tiger Fund $ 581.56
DIT INVESTMENT FFM
+(d) Concentra DM 52.77
+(d) Int'l Rentenfond DM 72.00
EBC TRUST CO.(JERSEY) LTD.
1-3 Sele St.,St. Helier ;0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid $ 14.23 Offer. $ 14.924
@(d) Cap.: Bid $ 22.20 Offer $ 23.278
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 0.8052
(d) Short Term 'A' (Distr) $ 0.5231
(d) Short Term 'B' (Accum) $ 1.2277
(d) Short Term 'B' (Distr) $ 0.8750
(w) Long Term $ 33.0476
ELDERS INTL. MGMT SRVCS
see PRISM ASSET MANAGEMENT
ELDERS SWITZ.(898) 25 17 25
(w) Elders Int Bld SF [illegible] Offer SF 112.50
(w) Elders Aus Bld A$ [illegible] Offer a$ 96.75
EQUIFLEX LIMITED
(w) Europe A FL 11.52
(w) North America A FL 9.06
(w) U.K. Equities £
(w) U.K. Small Co. £ 7.67
EURO PACIFIC ADVISERS Ltd.
(w) Meteore Y 121,372.00
(w) Pacific Horizon Invt. Fd $ 2,191.51
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountry Hill, EC4. 01-623-4680
(w) Amer.Smaller Cos.Eq.Pffl. $ 10.79
(w) Oriental Equity Pffl. $ 10.69
(w) European Equity Pffl. $ 15.54
(w) Nordic Equity Pffl. $ 17.15
(w) Amer. Mal. Equity Pffl. $ 9.76
(d) Western Pac. Equity Pffl. $ 11.53
(d) Mediterranean Equity Pffl. $ 11.95
(d) British Equity Portfolio $ 10.72
(d) U.S.$ Sh. Term Asset Pffl. $ 10.07
(d) Sterling Sh. Term Asset Pffl. £ 10.33
(d) North American Bond Pffl. $ 10.86
(d) Multi-Currency Bond Pffl. $ 10.45
(d) Sterling Bond Portfolio £ 9.84
(d) Ecu Bond Pffl ECU 10.36
FIDELITY INT'L INV. MGMT (LUX.) S.A.
(d) New Europe Fund $ 12.03
(d) Fidelity Conv. Sec. Portf. $ 10.25
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.II Com. $ 98.23
(m) Fid.Amer. Val.III Com. $ 60.93
(m) Fid.Amr.Val.III Cum.Pref $ 102.84
(d) Fidelity Amer. Assets $ 132.90
(d) Fidelity Australia Fund $ 16.40
(d) Fidelity Dir. Svgs.Tr. $ 177.78
(d) Fidelity Pacific Fund $ 357.84
FIDELITY INT'L SERVICE (LUX.)
(d) Balanced Portfolio-hedged $ 9.54
(d) Balanced Portfolio-unhedg $ 10.55
(d) Fidelity Discovery Fund $ 16.06
(d) Fidelity Far East Fund. $ 71.04
(d) Fidelity Frontier Fund $ 21.89
(d) Fidelity Global Ind. Fd $ 14.04
(d) Fidelity Global Selct Fd $ 14.18
(d) Fidelity Int'l. Fund $ 15.08
(d) Fidelity Orient Fund $ 106.20
(d) Fidelity Spcl. Growth Fd. $ 39.48
(d) Fidelity World Fund $ 67.40
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 1.04
(d) European Portfolio $ 2.05
(d) Japan Portfolio $ 1.21
(d) South East Asian Portfolio $ 1.17
(d) U.K. Portfolio $ 1.15
(d) Intl. Bond Portfolio $ 0.94
(d) Sterling Liquidity Pffl. £ 10.00*
(d) Dollar Liquidity Portfolio $ 10.00*
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 1.06
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.57
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ 118.35 Red $ 117.49
(w) Gaia Hedge II $ 279.48 Red $ 271.96
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) American $ 1.576
(d) Canadian fund Can$ 0.8701
(d) British £ 2.264
(d) European Fund DM 6.053
(d) Eastern European Fd DM 5.380
(d) Asia Pacific Fd $ 2.178
(d) Japan Fund Y 714.58
(d) Australasian Fund £ 0.3460
(d) Global Resources Fund $ 0.8536
(d) Emerging Markets Fund £ 1.255
(d) International growth $ 2.877
(d) Sterling Bond £ 0.9967
(d) E.C.U. Bond Fund ECU 0.9481
(d) International Bond $ 1.197
(d) US$ Deposit $ 1.033
(d) Sterling Deposit £ 1.029
(d) French Franc Deposit Fd FF 10.42
(d) Sw. Fr. Deposit SF 5.183
(d) DM Deposit DM 5.151
(d) Yen Deposit Y 513.9
(d) Austr.Dollar Dep. Fd A$ 1.064
(d) Global Conv. Bond Fd $ 17.43
GEFINOR FUNDS
London:071-4994171, Geneva:41-22355530
(w) East Investment Fund $ 987.89
(w) Scottish World Fund £ 202.7833
(w) State St. American $ 328.38
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 29.05
(d) Capital Rentinvest $ 135.34
(d) Rentinbel Distr. LF 9,666.00
(d) Rentinbel Cap. LF 11,070.00
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(d) GAM (CH) America SF 1244.00
(d) GAM (CH) Europe SF 91.00
(d) GAM (CH) Mondial SF 1257.00

(d) GAM (CH) Pacific SF 1594.00
(d) GAM Tradition SF 933.00
GENESEE FUND LTD. 12/07/90
(w) (B)Genesee Short $ 104.11
(w) (C)Genesee Opportunity $ 100.88
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St,Douglas,I. of Man,44-624-26037
(w) GAM Arbitrage Inc $ 229.27
(w) GAMerica Inc $ 240.01
(w) GAM Australia Inc. $ 125.27
(w) GAM Asean Inc $ 175.11
(w) GAM Bond Fund Inc U.S Ord. $ 109.59
(w) GAM Bond Fund Inc U.S Spe. $ 130.55
(w) GAM Bond Fund Inc. SF 88.91
(w) GAM Bond Fund Inc. £ 97.44
(w) GAM Bond Fund Inc. DM 86.29
(w) GAM Bond Fund Inc. Y 10,865.00
(w) GAM Boston Inc $ 235.14
(w) GAM Ermitage $ 33.83
(w) GAM Europe Fund $ 108.23
(w) GAM European Inc. $ 118.75
(w) GAM Franc-Val Inc. SF 200.77
(w) GAM France Inc FF 1578.74
(w) GAM Global Fund $ 148.00
(w) GAM High Yield Inc. $ 94.23
(w) GAM Hong Kong Inc. $ 221.14
(w) GAM International Inc. $ 121.44
(w) GAM Japan Inc. $ 562.12
(w) GAM Money Mkts. Fund $ 100.97
(w) GAM Money Mkts. Fund £ 107.80
(w) GAM Money Mkts. Fund SF 101.04
(w) GAM Money Mkts. Fund DM 100.91
(w) GAM Money Mkts. Fund Y 10,085.00
(w) GAM Mlti-Mngt Deferred Cl $ 100.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 104.05
(w) GAM Mlti-Mgr Fd Inc Alloc. $ 101.93
(d) GAM Mlti-Mgr Fd - Trading $ 102.90
(w) GAM North America Fund $ 99.86
(w) GAM Pacific Basin Fund $ 131.13
(w) GAM Pacific Inc $ 536.34
(w) GAM Restr. Fd. Inc. $ 133.80
(w) GAM Singapore/Malay Inc $ 265.00
(w) GAM Swiss Fr Spec Bd Fd SF 91.63
(w) GAM Univ. D-Mark Fd. DM 100.00
(w) GAM Value Inc. $ 94.06
(w) GAM Worldwide Inc $ 453.89
(w) GAM Tyche S.A. Class A $ 195.93
(w) GAM Universal (Sp) Inc. SF 90.75
(w) GAM U.S. Inc. $ 162.48
(w) GAM Whitehorn Fund Inc. $ 131.63
(w) GAM ut Inc. $ 358.37
(w) GSAM Composite Inc. $ 226.09
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 54.80
(d) G.T. Asia Fund $ 16.06
(d) G.T. Australia Fund $ 26.73
(d) G.T. Berry Japan Fund $ 37.15
(w) G.T.Biotechn./Health Fund $ 10.70
(d) G.T. Bond Fund $ 16.30
(w) G.T. Britain Fund $ 6.74
(d) G.T. Deutschland Fund $ 14.80
(d) G.T. Dollar Fund $ 18.94
(d) G.T. Europe Fund $ 36.02
(w) G.T. Emerging Mkts Fund $ 10.19
(w) G.T. Euro. Small Cos. Fund $ 40.59
(w) G.T.Global Small Cos.Fund $ 18.57
(d) G.T.Global Techno. Fd $ 16.70
(d) G.T. Hong Kong Fund $ 29.16
(d) G.T. Honshu Pathfinder $ 13.55
(d) G.T. Investment Fund $ 13.12
(w) G.T. Japan OTC Stocks Fund $ 13.06
(w) G.T. Japan Sml Co.Fd $ 19.78
(w) G.T. Korea Fund $ 6.17
(w) G.T. Nat Res. Fd Gold Class $ 5.93
(w) G.T. Newly Ind. Countr. Fd $ 31.10
(d) G.T. Select Dollar Bd Pfl $
(d) G.T. Select Int Bd Pfl. £
(d) G.T. Select Gilt Pfl. £
(r) G.T. Technology Fund $ 36.67
(d) G.T. U.K. Small Companies $ 8.39
(w) G.T. U.S. Small Companies $ 14.99
HENDERSON HORIZON FUND
(d) HHF Japan Portfolio $ 11.56
(d) HHF Japan Sm. Cos. Pffl. $ 22.74
(d) HHF Pacific Portfolio $ 11.75
(d) HHF North Amer.Portfolio $ 4.86
(d) HHF European Portfolio $ 8.79
(d) HHF U.K. Portfolio $ 6.14
(d) HHF Global Portfolio $ 9.44
(d) HHF Fixed Interest Pffl. $ 8.64
(d) HHF Dollar Liq. Pffl. $ 0.8036
(d) HHF Sterling Liq. Pffl. £ 1.0837
(d) HHF Invt. Cos. Pffl. $ 11.02
HENDERSON PTFL. MGT. SERVICE
(d) HPMS Dol. Bal. Gr. Pffl. $ 2.007
(d) HPMS Sterl. Bal. Gr. Pffl £ 1.186
(d) HPMS Dol. Sel Markets Pffl $ 2.085
(d) HPMS Dol.Income & Gr. Pffl $ 1.784
(d) HPMS Sterl. High Inc. Pffl £ 0.585
HILL SAMUEL GLOBAL PORTFOLIO
7A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Pffl UK Equity £ 9.01
(d) H. S. Glbl Pffl UK Sm.Co.Eq. £ 9.85
(d) H. S. Glbl Pffl N.Amer. Eq. $ 9.41
(d) H. S. Glbl Pffl US Sm.Co.Eq. $ 9.19
(d) H. S. Glbl Pffl Pac.Bas.Eq. $ 9.29
(d) H. S. Glbl Pffl Jap. Eq. Y 834.00
(d) H. S. Glbl Pffl Euro Eq. DM 9.65
(d) H. S. Glbl Pffl St.Fix.Int. £ 9.68
(d) H. S. Glbl Pffl Eu.Fix.Int. DM 9.17
(d) H. S. Glbl Pffl Glbl. Eq. $ 9.52
(d) H. S. Glbl Pffl Glbl. Bond $ 9.53
(d) H. S. Glbl Pffl Glbl. Mod. $ 9.36
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 41 31 224051
(d) Crossbow (Far East) SF 13.53
(d) CSF (Balanced) SF 34.52
(d) European Equity Fund DM 19.48
(d) Intnl. Bond Fund $ 12.78
(d) Int. Currency U.S.Manag'd $ 28.29
(d) ITF Fd (Technology) $ 19.81
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 90.52
(w) Iam Bonds Fund-France FF 602.29
(w) Iam Bonds Fund-Deutschl DM 223.20
(w) Iam Bonds Fund-Japan Y 10,464.00
(w) Iam Bonds Fund-Switz. FS 219.12
(w) Iam Bonds Fund-U.S.A $ 106.22
(w) Iam Bonds Fund-Europe ECU 117.55
(w) Iam Bonds Fund-Netherl. FL 198.64
(w) Iam Europe global ECU 96.97
(w) Iam Europe luxe ECU 109.39
(w) Iam Europe 90/10 ECU 104.66
(w) Iam Europe 1992 ECU 103.53
(w) Iam Europe du Sud ECU 182.25
INTERSELEX GROUP
(d) Int.America Fund $ 16.76
(d) Int.Belga Fund SF 2,972.00
(d) Int.Europa Sicav LF 6,411.00
(d) Int.Pacific Fund $ 990.11
(d) Int.World Fund $ 90.48
ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 52.36
(w) Class B (Global Equity) $ 11.00
(w) Class C (Global Bond) $ 11.37
(w) Class D (Ecu Bond) ECU 9.86
ISLAMIC MGMT FUND LTD $ 1050.45
CSFB Fund Mgmt Ltd (0481-713996)

PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 19,294.00
(d) J.F Pacific Sec. Trust $ 25.13
(d) J.F Pacific Income Trust $ 76.52
(d) J.F Hong Kong Trust $ 73.49
(d) J.F European $ 12.88
(d) J.F International $ 13.95
(d) J.F Glb Convertibles Trust $ 12.23
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1335.90
(b) Stonehenge Ltd. $ 1071.13
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.80
(d) Emerging Asia Fund ECU 1.74
(d) European Fund ECU 1.87
(d) Japanese Fund ECU 1.84
(d) International Fund ECU 1.71
(d) North American Fund ECU 1.49
(d) Pacific Fund ECU 1.75
LIPPO ASIA LIMITED
(w) Java Fund $ 10.25
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 3073333/ext. 3394
+(w) Lloyds Int'l Dollar $ 112.70
+(w) Lloyds Int'l Europe SF 186.60
+(w) Lloyds Int'l Growth SF 189.50
+(w) Lloyds Int'l Income SF 262.50
+(w) Lloyds Int'l N. America $ 159.25
+(w) Lloyds Int'l Pacific SF 166.90
+(w) Lloyds Int'l Smaller Cos $ 16.17
MALABAR CAP MGMT (BERMUDA) LTD.
(m) Malabar Intl.Fund $ 10.14
MAN INTERNATIONAL FUTURES
(m) Athena $ 104.73
(m) Alubaf Mint Gtd.Fund.Ltd. $ 105.91
(m) Mint Limited - Ordinary $ 45.55
(m) Mint Limited - Income $ 15.09*
(m) Mint Gtd Ltd - Spec Issue $ 22.45
(m) Mint Gtd Ltd - Series A $ 24.38
(m) Mint Gtd Ltd - Nov 1993 $ 21.61
(m) Mint Gtd Ltd - Jan 1994 $ 17.47
(m) Mint Gtd Ltd - Dec 1994 $ 15.30
(m) Mint Gtd Ltd - Aug 1995 $ 12.45
(m) Fbme Mint Gtd Plc $ 122.51
(m) Mint Sp Res Ltd (BNP) $ 112.08
(m) Newcastle Guaranteed Ltd $ 12.08
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 19.93
(m) Sterling Class £ 5.04
(m) U.S Dollar Class $ 9.04
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 11.78
(d) Multi-Curr. Bond Portfolio $ 15.69
(d) U.S.A Income Portfolio $ 9.30
(d) US Federal Securities $ 9.66
(d) World Nat Res Pfl. Share A $ 11.97
(d) World Nat Res Pfl. Share B $ 11.90
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.61
(d) Canadian Dollar Pffl. C$ 10.14
(d) Deutschmark Portfolio DM 9.86
(d) Pound Sterling Portfolion £ 10.35
(d) US Dollar Portfolion $ 10.97
(d) Yen Portfolio Y 975.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 9.75
(d) Class B $ 9.59
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 10.84
(d) Class B $ 10.80
BASIC VALUE PORTFOLIO
(d) Class A $ 9.42
(d) Class B $ 9.38
MIM BRITANNIA,POB 271, St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.267*
(d) Asia Super Growth Fund $ 13.36*
(d) Dollar Man.Curr $ 14.21*
(d) Dollar Man. Port $ 2.194
(d) Gold & Prec. Metals $ 1.015
(d) Gtd. N.W. 1994 $ 8.31
(d) Int.High Income $ 2.426*
(d) Japan Dollar Perf. Fd $ 3.820
(d) Jersey Gilt £ 0.1648*
(d) Nippon Warrant Fund $ 16.31
(d) Okasan Global Strat $ 17.72
(d) Pioneer Markets £ 2.876
(d) Sterling Man.Port £ 1.408
(d) Sterling Man. Curr. £ 16.87
(d) U.K. Growth £ 0.994
NIMARBEN
(w) Class A $ 174.52
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 1.56
(w) NMB Dutch Fund FL 39.00
(d) NMB Real Estate Fund FL 36.00
(d) NMB Euromix Fund LF 2.125
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 9.28
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 11.03
OBLIFLEX LIMITED
(w) Multicurrency $ 22.18
(w) Dollar Medium Term $ 17.30
(w) Dollar Long Term $ 14.67
(w) Japanese Yen $ 22.95
(w) Pound Sterling £ 15.83
(w) Deutsche Mark DM 12.63
(w) Dutch Florin FL 12.82
(w) Dutch Florin Multi. FL 10.37
(w) HY Euro. Currencies ECU 10.39
(w) HY Euro.Curr.Divi.Pay. ECU 9.91
(w) Swiss Franc SF 10.69
(w) Swiss Franc Divi. paying SF 10.13
(w) US Dollar Short Term. $ 10.39
(w) Swiss Multicurrency SF 11.35
(w) European Currency ECU 14.41
(w) Convertibles $ 11.55
(w) French Franc F 104.07
(w) Swiss Multi-dividend SF 8.55
OLYMPIA Capital Intl.BVI
c/o OCM, 77 ave. George V, 75008 Paris
tel.: 33-1-47230374
(w) Finsbury Group $ 137.61
(w) Olympia Securite $ 101.52
(w) Winchester Capital $ 101.56
(w) Winchester Frontier $ 206.28
(w) Winch.Hold.-Intl.SerD ECU 1,201.45
(w) Winch.Hold.-Intl.SerF ECU 1,183.28
(w) Winchester Hold.-US$ $ 7.24
(w) Winch.Reser.Multi.Gvbd $ 13.06
(m) Winch.Fut.Divers. $ 16.10*
(m) Winch.Fut.Orion $ 17.71*
PARIBAS-GROUP
(d) Belux Fund LF 11,602.00
(d) Cortexa International $ 116.57
(d) Ecupar ECU 1,413.88
(d) Luxor $ 8.61
(d) Moneyflow LF 10,170.00
(d) Parinter Fund $ 218.41
(d) Par US Treas. Bond 'CL B' $ 157.86
(d) Europhenix ECU 179.16
(d) Parinter Bond Fund $ 13.35
(d) Paribas-Rente 'A' LF 1,209.00
(d) Paribas-Rente 'B' LF 1,397.00
(d) Parvest Obli-Franc 'A' $ 1,307.07
(d) Parvest Obli-Franc 'B' $ 1,307.07
(d) Parvest Obli-Sterling £ 100.24
(w) Pargest SF 905.15

(w) Parvest Obli-DM 'A' DM 1,170.77
(w) Parvest Obli-DM 'B' DM 1,306.64
(w) Obligestion SF 86.73
(w) Parvest Obli-Dollar 'A' $ 1,140.06
(w) Parvest Obli-Dollar 'B' $ 1,336.48
(w) Parvest Obli-Yen 'A' Y 105989.00
(w) Parvest Obli-Yen 'B' Y 115663.00
(w) Parvest Obli-Gulden 'A' FL 971.55
(w) Parvest Obli-Gulden 'B' FL 1,113.97
(w) Parsuisse SF 1,457.42
(w) Parjapan Y 3,431.00
PERMAL GROUP
(m) Drakkar Growth $ 2157.73
(m) EuroMir (ECU) Ltd. ECU 1,105.50
(m) Media Ltd. $ 770.31
(m) Nascal Ltd $ 1,505.29
(m) Special Opportunities Ltd $ 1,695.61
(m) Updyke Ltd $ 269.47
(m) Value N.V. $ 1,971.35
PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 36.39
(w) Asian Selection Fd. N.V. FL 46.66
(w) DP Amer. Growth Fd N.V. $ 26.00
(w) Eur. Growth Fund N.V. FL 66.78
(w) Japan Diversified Fund $ 47.27
(w) Leveraged Cap Hold $ 336.47
(w) Tokyo Pac. Hold. N.V. $ 250.81
PIONEER GROUP
(d) Pioneer Fund $ 22.47
(d) Pioneer II $ 18.21
PRISM ASSET MANAGEMENT
(212) 573-0440 advisor to:
(d) EFF $ 325.21
(d) PTJ $ 94.07
(d) RAINBOW $ 99.28
(d) CONQUEROR $ 88.63
PUTNAM
(d) Emerging Hlth Sc. Trust $ 19.13
(w) Putnam Em. Info. Sc. Tr $ 14.35
(d) Putnam Glob. High Growth $ 13.22*
(d) Putnam High Inc. GNMA Fd $ 9.23
(d) Putnam Int'l Fund $ 11.89
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 94.00
(d) Rolinco FL 92.00
(d) Rorento FL 59.20
(d) Rodamco FL 75.50
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Seo) $ 183.02
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 5.260
+(w) RBC Canadian Fund Ltd C$ 14.02
+(w) RBC European Fund $ 14.67
+(w) RBC Far East&Pacific Fd $ 50.99
+(w) RBC Int'l Capital Fd $ 63.79
+(w) RBC Int'l Bond Fund Ltd. $ 13.33
+(d) RBC Man.Currency Fd $ 41.20
+(w) RBC North Amer. Fd $ 15.51*
ROYAL TRUST ASSETMIX FUND
Lux.Tel: (352) 489061
EQUITY FUNDS
(d) Alpha UK £ 1.21
(d) Alpha US$ $ 1.41
(d) Alpha Worldwide SF 4.45
(d) Alpha Japanese Y 948.00
(d) Alpha Pacific Rim $ 1.32
(d) Alpha European ECU 1.19
(d) Gold Share $ 1.15
BOND FUNDS
(d) Sterling Pound £ 102.25
(d) US$ Bond US$ 104.66
(d) Deutschmark Bond DM 48.41
(d) Alpha Worldwide SF 48.17
RESERVE FUNDS
(d) Sterling Reserve £ 12.453
(d) US$ Reserve $ 11.321
(d) Deutschmark Reserve DM 10.998
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 8.25
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 13.22
(w) Equity Intl Inc $ 11.97
(d) Equity Global $ 1.29
(w) Equity Far East $ 1.98
(w) Equity Gold $ 0.89
(w) Equity Japan Y 128.00
(d) Equity Nordic $ 1.58
(d) Equity U.K. £ 1.13
(d) Equity Continental Europe $ 1.43
(d) Equity Mediterranean $ 1.20
(d) Equity North America $ 1.25
(d) Bond DEM DM 0.92
(w) Bond Intl Acc $ 8.75
(w) Bond Intl Inc $ 6.75
(d) Bond Sweden SEK 10.62
(d) Bond Dollar $ 1.03
(w) High Income Acc $ 1.25
(w) High Income Inc $ 1.02
(w) Multicurrency $ 1.2755
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 12.18
(w) SF Bonds B Germany DM 22.91
(w) SF Bonds C France FF 89.91
(w) SF Bonds D Switz. SF 20.00
(w) SF Bonds E G.B. £ 8.54
(w) SF Bonds F Japan Y 1607.00
(w) SF Bonds G Europe ECU 12.46
(w) SF Bonds H World Wide $ 12.73
(w) SF Bonds J Belgium BF 591.00
(w) SF Eq. K North America $ 12.52
(w) SF Eq. L W. Europe ECU 12.64
(w) SF Eq. M Pacific Basin Y 1588.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 13.55
(w) SF Equities Q Gold Mines $ 12.17
(w) SF Equities R World Wide $ 12.32
(w) SF Short Term S France FF 122.12
(w) SF Short Term T Eur. ECU 11.96
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 106.66
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(w) Neptune Maritime Fund $ 9.73
(b) SHB Bond Fund $ 46.01
(w) Svenska Select.Fd Intl Sh. $ 51.79
(w) Svenska Select.Fd America Sh $ 11.95
(w) Svenska Select.Fd Pacif.Shares $ 4.30
(w) Svenska Select.Fd Germany DM 10.23
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.88
(w) Svenska Select.Fd Japan Y 583.74
(d) Svenska Sel.Fd Nordic Shs $ 12.66
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.56
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor $ 288.22
(d) AngloValor £ 177.18
(d) Asia Portfolio SF 563.29
(d) Convert Bond Selection SF 91.89
(d) Dollar Bond Selection $ 134.52
(d) D-Mark Bond Selection DM 107.29
(d) Ecu Bond Selection ECU 97.58
(d) Florin Bond Selection FL 111.42
(d) FranceValor FF 1686.41
(d) GermaniaValor DM 534.55
(d) Gold Portfolio SF 383.37
(d) ItalValor Lit 458500.00
(d) Japan Portfolio Y 32514.00
(d) SBC Ecu MMF. ECU 2,742.48

(d) SBC £ MMF. £ 2,046.85
(d) SBC Yen MMF. Y 505,416.00
(d) SBC US$ MMF $ 6,142.58
(d) SBC 100 Index Fund SF 1,098.00
(d) SBC Sfr Bond A/B SF 1,042.14
(d) Sterling Bond Selection £ 103.69
(d) Sw. Foreign Bond Selec. SF 100.68
(d) Swissvalor SF 358.00
(d) Universal Bond Select. SF 72.25
(d) Universal Fund SF 107.78
(d) Yen Bond Selection Y 11070.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 9.97
(d) Class A-2 $ 10.27
(d) Class A-3 $ 10.10
(d) Class B-1 $ 9.88
(d) Class B-2 $ 10.18
(d) INCOME PORTFOLIO
(d) Class A $ 10.68
(d) Class B $ 10.64
TERMINVEST Tel: 40.78.92.89
(m) Dual Fut. Fd. cl. D Units $ 103.07
(m) Galaxy Futures Fd. Ltd. $ 115.10
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 1.95
(d) Pacific Invt. Fd. S.A. £ 9.46
(d) Pac.Invt. Fd. SA DM 28.78
(d) Pac.Invt. Wrnts Fd.S.A. DM 13.88
(d) Pac.Invt. Warrants Fd.S.A. £ 4.46
(d) Thornton Kangaroo Fd Ltd. $ 9.85
(d) Thornton HK & China $ 13.59
(d) Thornton Japan Fund Ltd $ 32.98
(d) Thornton Orient.Inc. Fd Ltd $ 24.17
(w) Thornton Phil. Redev. Fd $ 34.02
(d) Thornton Tiger Fund Ltd $ 32.22
(d) Thor.Litl. Dragons Fd Ltd $ 25.13
(d) Thor.Golden Opport.Fd $ 5.34
(d) Eastern Crusader Fund $ 9.88
(w) The Global Access Fund $ 9.6*
NEW TIGER SEL. FUND
(d) Thailand $ 10.75
(d) Malaysia $ 10.04
(d) Indonesia $ 9.73
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd $ 10.83
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 44.17
(d) Eurobond $ 29.30
(d) Mortgage C$ 14.35
(d) Overseas $ 27.88
(d) Tiger $ 45.16
(d) High Yield Bond £ 62.90
(d) Marunouchi £ 84.40
(d) Far Eastern £ 530.90
(d) Gilt £ 506.00
(d) Mod Currency-Dollar $ 1.477
(d) Mod Currency-Stlg £ 119.80
(d) 1992 £ 271.20
(d) Wall Street £ 217.40
(d) HI Inc Gilt & Buildsoc £ 96.10
UEBERSEEBANK, ZURICH
(d) B-FUND SF 932.99
(d) M-FUND SF 1022.74
(d) E-FUND SF 549.17
(d) J-FUND SF 337.91
(d) M-Distribution SF 95.82
(d) UBZ Euro-Income Fund SF 9.31
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 36.50
(d) Bond-Invest SF 56.50
(d) Brit-Invest Shares SF 755.00
(d) D-Mark-Invest Bds DM 191.10
(d) Dollar-Invest Bds $ 106.00
(d) ESPAC Spanish sh SF 193.00
(d) Eurit SF 337.50
(d) Fonsa Swiss Sh. SF 202.50
(d) Francit Shares SF 203.00
(d) Germac Shares SF 245.00
(d) Globinvest Shares SF 98.50
(d) Gold Invest Shares SF 220.00
(d) Holland-Invest Sh. SF 222.00
(d) Itac Shares SF 213.50
(d) Japan-Invest Sh. SF 1139.00
(d) Sima (stock price) SF 229.50
(d) Skandinavien-Invest SF 277.00
(d) UBS Money Mkt Inv. $ 1062.36
(d) Yen-Invest Bonds Y 79,753.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.60
(d) Unifonds DM 38.40
(d) Unirak DM 79.35
(d) Unizins DM 107.60
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 9.41
(d) Univers Sav Equity C$ 11.09
(d) Univers Sav Global C$ 5.34
(d) Univers Sav Pacific C$ 8.97
(d) Univers Sav Nat. Res C$ 6.02

Other Funds

(r) Acticroissance $ 523.15
(d) Actifinance Intl $ 1108.18
(w) Actigestion FF 1270.02
(w) Activest Intl $ 22.09
(d) Amvabel FL 67.10
(w) Aquila International Fund $ 303.80
(b) Ariane $ 3,938.04
(d) Asia Oceania Fund $ 9.44
(m) Associated Investors Inc. $ 780.80
(m) Atlantic Fund $ 85.26
(d) Atlas Fund SF 98.25
(r) Australia Fund $ 17.09
(m) BB Futures Ltd. $ 1090.56
(w) BDD Inv Fund-Ecu Bd ECU 5229.71
(w) BEM International $ 5.12
(w) Bergen Int'l Fund $ 11.47
(d) Bever Beleggingen++ $ 25.50
(w) Bondselex-Issue Pr. SF 102.35
(d) Bristol $ 940.00
(m) Cal Futures 1990 Fd. Ltd $ 25.43
(m) J Capel guaranteed Fund $ 10.08
(w) CMI Investment Fund $ 1411.26
(d) Cash Gestion FF 10008.08
(d) CB German Index Fund DM 132.51
(m) Cleveland Offshore Fd. $ 29.29
(w) Columbia Securities FL 103.45
(m) Commod. Gtd. Fund/USA $ 3.81
(w) Convert. Fd. Int'l A Certs $ 16.92
(w) Convert. Fd. Int'l B Certs $ 56.94
(w) Cumber Intl N.V. $ 241.80
(w) Daiwa Japan Fund Y 8,758.00
(w) D.G.C. $ 211.23
(d) D-mark-Baer Bond Fd DM 982.00
(d) Dollar-Baer Bond Fd $ 1144.00
(d) D. Witter Wld Wide Ivt Tst. $ 25.31
(d) Dreyfus America Fund $ 17.25
(d) Dreyfus Fund Intl. $ 61.66
(w) Dreyfus Intercontinent $ 11.36
(w) Dumelux Amerique $ 1002.06
(w) Dumelux Asie Pacifique $ 1002.06
(w) Dumelux Bonds Plus $ 1077.93
(w) Dumelux Europe ECU 1004.13
(w) Dumelux France FF 6926.84
(w) Dumelux Opportunit $ 1002.06
(m) Dumenil Arbitrage Fd NV $ 848.24
(d) Emi Germ. Ind Plus(A) DM 94.87
(d) Emi Germ. Ind Plus(B) DM 94.87
(d) Emi France Ind Plus(A) FF 845.28
(d) Emi France Ind Plus(B) FF 845.28
(d) Emi Uk Index Plus (A) £ 93.82
(d) Emi Uk Index Plus (B) £ 93.82
(d) Emi Belg. Index Plus(A) BF 9,141.00
(d) Emi Belg. Index Plus(B) BF 9,141.00
(d) Equicurrency (DOM) ECU 1.24

(w) Esprit Sicav ECU 1270.28
(w) Espir. Sto Inv M Sth Eur Fd $ 12.12
(d) EURASUD FF 1067.30
(d) Europe Obligations ECU 74.14
(d) Europe 1992 $ 11.11
(m) Fatum Fund $ 1052.69
(w) Fairfield Int'l Ltd. $ 148.50
(w) Fairfield Strat. Ltd. $ 58.85
(w) First Eagle Fund $ 37951.42
(m) First Frontier Funds $ 86.84
(w) F.I.T. Fund ff FF 113.74
(d) Fonditalia $ 87.31
(w) FL Trust Switzerland SF 92.48
(w) Fonselex Issue Pr. SF 170.15
(d) Forexfund Limited $ 9.26
(w) Formula Selection Fd. SF 69.05
(d) Frankl-Trust Eff. Fd DM 172.01
(d) Frankl-Trust Interzins DM 39.88
(m) Gems Progressive Fd Ltd. $ 985.43
(w) George V INV. BOND F. $ 23.01
(m) German Sel. Associates DM 2331.62
(d) Green Line France FF 664.26
(d) Guardian $ 940.00
(w) Haussmann Hldgs. N.V. $ 318.04
(w) Hestia Funds $ 146.88
(w) Horizon Fund $ 1829.48
(w) Ibex Holdings Ltd. SF 173.08
(w) IFDC Japan Fund Y 38,740.00
(r) ILA-IGB $ 7.27
(r) ILA-IGS $ 8.98
(m) IncAmerica N.V. $ 14.91
(m) IncAsia N.V. $ 10.04
(w) Inoremet $ 9.56
(w) Interecu Fund 'A' ECU 1043.72
(w) Interecu Fund 'B' ECU 249.45
(m) Interface Fund Ltd. $ 149.83
(d) Interfund SA $ 47.82
(w) Intermarket Fund $ 426.86
(r) Int'l Securities Fund $ 29.18
(w) Intersec SA $ 4149.03
(d) Investa DWS DM 78.94
(d) Investmentor Fund $ 104.70
(m) Japan Selection Assets Y 11,955.00
(d) Japan Pacific Fund $ 253.98
(w) Japan Reg.Growth F. Y 1015349.43
(w) Japan Selection Fund $ 241.58
(d) JJ Placement FF 11888.41
(d) Kenmar L/C $ 9.89
(d) Kenmar Guarantee $ 9.91
(w) Kenmar Intl - B $ 10,595.00
(m) Key Hedge Fund Inc. $ 105.71
(w) Kleinwort Bens. Jap. Fd. $ 239.91
(d) KML-II H.Yield 13/07/90 $ 657.97
(w) Korea Growth Trust $ 32.06
(w) LACO International $ 6.88
(w) Leumi Val.Francaises FF 1048.23
(w) Liberty Offshore Fund $ 113.74
(d) Liquibaer $ 1902.00
(m) London Portfolio G'td. I. $ 86.33
(m) London Portfolio G'td. II. $ 8.36
(w) Luxfund $ 115.93
(m) Lynx Sel.Holdings SF 138.40
(w) MBE Japan Fund LF 1,872.00
(m) MCM Int. Limited $ 141.48
(w) Moore Global Invts. Ltd. $ 1,378.56
(w) ML Morgens Lv H.Y.Inv.NV $ 9.95
(d) Mediolanum Sel. Fd. $ 45.51
(d) NCA FUND $ 11.78
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 218.42
(d) NMT Citadel Bond SF 110.17
(m) NMT Nostec Portfolio s/s $ 121.62
(d) NM Inc. & Growth Fund $ 16.45
(d) Nomura-Cap Int Eq Fd $ 14.07
(d) Nordmix Lit 11,382.00
(m) Nova Plus Fund I Ltd. $ 1000.00
(w) Noveurope ECU 2,998.52
(m) NSP F.I.T. $ 280.41
(m) Oppenheimer U.S.Arb. $ 124.38
(m) Optimum Fund $ 1,227.34
(m) Overlook Performance $ 1259.48
(d) Pacific Nies Fund $ 8.75
(d) PAM Futures Trad. $ 466.80
(w) Pancurri Inc. $ 157.65
(m) Paragon Fund Limited $ 9.44
(w) Prosp. I.H.Inc.P.F 06/07/90 $ 5.45
(w) Pupet-Mahe Barclays Pac. $ 193.34
(w) Quantum Fund N.V. $ 15,148.09
(w) Rep.(Guernsey) Dol.Inc.fd $ 9.69
(d) SAGA Ameriques FF 758.24
(d) SAGA Court Terme FF 1153.00
(d) SAGA France Sicav FF 468.46
(d) SAGA Long T.Capital FF 1047.03
(d) SAGA Opportunites FF 802.24
(d) SAGA Premiere FF 1133.04
(w) Samurai Portfolio SF 259.20
(d) Sanyo Kle.Spain Fd $ 11.54
(d) Sarakreek Holding n.v.+++ $ 26.60
(m) Scimitar Guaranteed $ 8.17
(m) Scimitar Guar.Cur.Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 21.09
(w) SP International S.A. $ 5423.27
(m) SLH Guar. F.F.I. $ 935.37
(d) Sirat Int'l Gold Fund S.A. $ 6.89
(m) Sussex Silverman $ 1096.00
(w) Techno Growth Fund SF 59.23
(d) Templeton Glob Inc. $ 9.69
(d) The Petrus Fund Ltd. $ 1.13
(m) TIIC(O.T.C) Jap.Id Sicav $ 18.97
(w) Transpacific Fund Y 34,547.00
(d) Triton Offshore Class A $ 882.26
(d) Triton Offshore Class B $ 829.68
(d) Tudor B.VI Futures.LTD $ 6,083.40
(d) Turquoise Fund $ 224.91
(w) Tweedy,Browne n.v.Cl.A $ 3,539.73
(w) Tweedy,Browne n.v.Cl.B $ 1,730.30
(m) Tweedy,Browne (U.K.) n.v. $ 1332.93
(d) Unico Inv.Fund DM 71.90
(d) Unico Equity.Fund DM 62.27
(d) Uni Bond Fund ECU 1567.70
(r) Uni Capital Fund $ 1583.21
(m) Unitrad FF FF 10,654.63
(m) Unitrad SF SF 1,055.75
(m) Unitrad $US $ 1,042.60
(d) Univers Bonds DM 134.25
(w) Vanderbilt Assets $ 15.84
(m) Victor Futures Fund $ 185.00
(d) Victoria Holdings Limited $ 100.00
(w) Willerbond Capital $ 14.92
(d) World Fund S.A. $ 11.78
(d) World Balanced Fund S.A. $ 12.13
(w) Worldwide Securities $ 39.03
(w) Worldwide Special $ 929.49
(m) Zweig Int'l Ltd $ S/S 10,014.00

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; # - Paris exchange; ++ - Amsterdam exchange; e - estimated earlier; x - not registered with regulatory authority

TO OUR READERS IN GERMANY

It's never been easier to subscribe and save. Just contact us at our Frankfurt office. Phone: (069) 69 48 92 Fax: (069) 69 48 94

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

Herald Tribune INTERNATIONAL

Saturday-Sunday, August 11-12, 1990
Page 14

THE MONEY REPORT

FIRST COLUMN

Predicting The Market With Chaos

JUST WHERE would we be if the Japanese suddenly discovered huge reserves of oil? Or if the San Andreas fault finally produced the big one and tilted California into the Pacific?

Irrespective of where the world's stock markets actually end up after the wild fluctuations of this week, they underline a truth which is none too self-evident. And the truth is that when the consensus of investment opinion is right, it hardly makes a difference, whereas when it is wrong, it is badly, sometimes disastrously, wrong.

There is a simple explanation for all this, familiar to mathematicians and the statistical geniuses who assess risks for insurance companies. It is the chaos theory.

The latest bout of weeping and wailing has been precipitated by the ructions in the Middle East and the knock-on effects for the oil price. Suddenly, the Cassandras are seeing 1974 all over again. Investment scenarios are being constructed on the premise of a permanently sky-high oil price.

This is a new development: If there were any financial analysts calling oil at its present levels 10 days ago, they have kept pretty quiet about it.

But no one, of course, really expected oil to be where it is today, and so almost everyone but the lucky, the clairvoyant or the *student of chaos was caught out by the move.*

The idea of chaos is anathema to many financial analysts. The reason for this is that it postulates a pleasingly random model of investment patterns which makes it difficult for many of them to justify their salaries. As a theory, however, it has its merits.

IN A simplified form, the idea is that given a set of factors which affect one another — one of those things may be the price of a share or a commodity like oil — there will always be an element of *randomness. That randomness will make* one factor suddenly much more important, or wholly dominant. This might be so much the case that observers choose to call that factor a "fresh" factor, and give it a new name.

After the fresh factor has been introduced *it will continue to affect the others, but in an* increasingly unimportant way. It will, as the markets discount it, "run out of steam." The world's share markets managed to live with a high oil price fairly quickly 15 years ago, after all.

A good example of a chaotic system is the weather. The meteorologist can explain with satisfying certainty why a given weather pattern has occurred. Through reference to a complex set of interrelated rules, we can be shown just why it is raining in Kathmandu. But as a predictor, these rules are a failure. There is an unpredictable element, which means we can guess there will be typhoons in the tropics, but never just when, or where.

There are investment analysts who make *off-the-wall calls — 10 highly unlikely events* for the coming year — like those at the head of this column. Frequently, some of them come true, but the analysts do not profit. They have played the percentages, and gone for the more likely event in the name of investment prudence.

This is the reason that no one was calling oil at today's levels. Who would sell the dollar on the basis of a crisis at the Federal Reserve? Or buy Japan on the back of a geological miracle? Or invest in Arizonan property, expecting it to become a beach house? To have benefited from the massive hike in the oil price, you would have to be a madman, a genius, or a mathematician with a better chaos theory than the rest. You would (almost) certainly not have been an investment analyst. □

Winners and Losers In an Energy Crisis

As the Seventies' Oil Shock Showed, The Fallout Can Be Unpredictable

By Martin Baker

Paris

IT HAS BEEN a nerve-jangling week for anyone with money in shares. For Japanese investors the last seven days have been downright catastrophic.

While the world's other major stock markets ended the week on a relatively firm note, Tokyo fell more than 1 percent Friday. That fall of 286.18 points followed a drop of 893.41 the day before. The Nikkei Dow Index now stands at 27,329.15 — down *4,634.19 since July.*

Yoshi Okazaki, managing director of Fidelity, Japan, explained the fall partly in technical terms. "People are buying the market forward, and that's leaving today's prices low."

But there are other reasons. Japan, as an importer of oil, is seen as one of the chief financial victims of the higher oil price. Oil quieted toward the weekend, to around $24 a barrel for Brent crude, but the talk among *investment analysts is still of potential crisis.*

The oil crisis that followed the Yom Kippur War of 1973 is the nearest historical parallel. Of course, in financial terms it is not true to say that history repeats itself. A lucky investor might find that it stammers somewhat predictably.

Even the diehard pessimists see the oil price rising by a maximum of 30 percent, compounded over the next few years. "The worst it can do is double," said Byron Wien, investment strategist of Morgan Stanley & co, New York.

Even pessimists see the oil price rising by a maximum of 30 percent.

After the Yom Kippur War and the tightening of the cartel, the oil price virtually quadrupled overnight.

The winners and losers in the immediate aftermath of that oil crisis provide a very mixed bag. A snapshot of the markets six months after the outbreak of war and the big hike in the oil price show some logical reactions, but others seem anomalous.

In the United States, Homestake Mining offered a refuge in gold and benefited accordingly. Pittston, as a coal producer, would also have been expected to benefit from expensive oil.

Among the losers, the performance of Prime Motor Inns seems to make sense, as the motor industry was badly affected. Others such as *Tambrands, a manufacturer of* personal hygiene products, or Bally Manufacturing, the slot machine producer, are less easy to explain.

Oil stocks were the direct beneficiaries of the crisis and are among the better performers. This time round it is different. Our table *of mutual fund commodity and energy* prices over the last month shows that mineral and gold shares have been doing best. Oil companies had been hit by the relatively low price of oil, and the recent hike is only beginning to be reflected in mutual funds.

But how should the individual investor react to the dramatic swings we shall almost certainly see in the near future? It is an exercise in crisis investment.

The first question you should ask yourself is how lucky you feel. Do you want to make money out of the next big move, or are you more interested in protecting the capital you already have?

Once personal strategy is worked out, the investor must try and work out what will happen in the wider world.

There is no shortage of investment analysts willing to supply credible investment scenarios, ranging from protracted war, through a full-scale recession, a minor and temporary economic downturn, roaring inflation in a stagnant world economy, a collapse in the oil price, and a major recovery in world markets.

The investor has to pick the right scenario, and then fit it to his or her own personal investment goals. These are the basic alternatives.

● **The Profit-Hungry Pessimist** — This person wants to make money out of a consistently high oil price and a general downturn in world stock and bond markets. The profit, according to this investor, is to be made in oil and commodities.

The appropriate strategy would be to "buy oil — stocks or futures — and possibly raise cash," said Nick Knight of Nomura Research Institute Europe.

*An investor who bought a crude oil fu*tures contract on the New York exchange on July 31 would have been able to sell for eight times the purchase price one week later.

Another investment consideration would be an inflation-linked bond. The British government offers a security that is guaranteed to beat inflation. If worldwide inflation takes off, the capital value of such an instrument would rise dramatically.

A high-risk, potentially high-return strategy would be to buy put options on markets the investor expects to fall. Put options are contracts that give the holder the right, but not the obligation, to sell at a certain price for a given period of time — usually three months.

Anyone who thinks the markets will fall *can, for a price, buy the right to sell near* today's levels. If the markets do fall, the options become extremely valuable. If the markets rise, then the options are worthless.

Gold is another possibility. Ultra-safe would be a purchase of the metal itself, probably in the form of coins such as the U.S. Eagle, the Australian Nugget, or the Kruggerrand. Gold mining shares are a more indirect form of investment.

"The aggressive pessimist would definitely buy gold," said John C. Wellemeyer, co-head of research at Morgan Stanley International, London.

● **The Cautious Pessimist** — This person simply wants to protect capital against a falling market or an upturn in inflation. A deposit with a reputable bank will be safe, short of a major collapse.

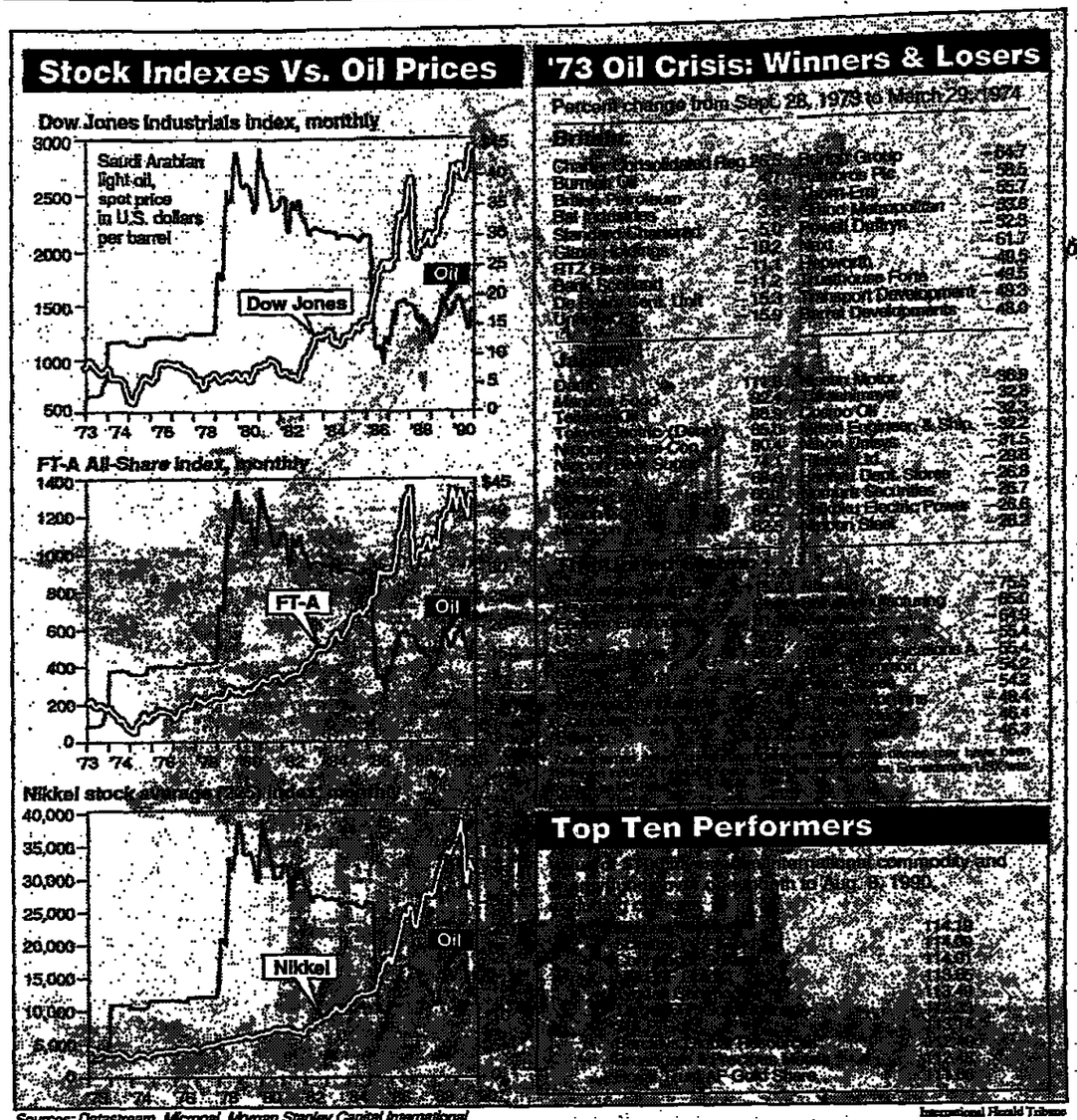
The issue for the cash depositor is which currency to choose. Three-month rates in selected major banks around the world provide gross returns of 8.13 percent in Germany, 9.94 percent in France, 15 percent in Britain, 7.83 percent in the United States, *and 3.63 percent in Japan.*

● **The Profit-Hungry Optimist** — If the political problems solved themselves, and oil was trading at $15 a barrel within three months, this investor would win the day.

To win big, he will buy the other side of the aggressive pessimist's investment. Call *options give the right to buy at today's levels.* If the markets fall, they will be worthless; if shares rise, the optimist will make a multiple of several times the original outlay.

Slightly less aggressive is investment straight into the shares that have suffered worst. "This type of investor will buy into the bombed-out sections of the market," said Victoria Phillips of Fidelity fund managers. "The U.S. and U.K. smaller companies have done particularly badly; they might well benefit from a revaluation if the economic climate softened."

● **The Cautious Optimist** — This investor will simply buy into today's stock prices, probably in his or her domestic market. That way there is no currency risk, and, if things really are going to get better, shares around the world must be cheap. □



Thailand Boom Days May Be Threatened

By Judith Rehak

New York

NOWHERE in the financial world was the invasion of Kuwait felt harder than in Thailand. Like Japan, Thailand imports its oil, and suffered from the massive hikes seen over the *past 10 days.*

But the Bangkok exchange does not have the size and solidity of Tokyo. Until August the figures were spectacular. The main index surged to a record high of 1,142.61 a jump of more than 75 percent over the past 12 months. The market's capitalization had ex*panded more than 1,200 percent over the* past five years to more than $25 billion, with new issues performing strongly.

But the new month saw a huge slide of almost 20 percent. Early in the week the market dipped down near the 920 level before bouncing back a little by the weekend.

Many analysts were arguing that it was time to move on from a market that had become overbought and "too fashionable." Thailand has been evolving from an emerging to a mature market. Diehard emerging markets investors may be seeking new arenas, but those who are staying on find plenty of justification in Thailand's economic boom.

Hugh Young, who runs the Abtrust New Thai Fund, admits that at the old record levels the market was "no longer a bargain, but it was just growing faster than anyplace else, and you were still getting fair value."

His optimism stems from official Thai forecasts, made before the oil price hike, of only a slight slowing in economic growth this year from the breathtaking gains of 10 percent to 13 percent of the past two years. More important, the International Monetary *Fund has forecast sustained annual growth* of 7 percent to 8 percent in the short to medium term.

Just how much of that has been thrown out of gear by more expensive oil remains to be seen. Thailand imports 40 percent of its energy requirements — all those imports are *oil.*

The engine driving much of Thailand's economic miracle is Japan, which provided nearly half of the $8.2 billion in foreign investment pouring into the country last year. Along with the Taiwanese, another dominant foreign player, the Japanese are setting up shop in Thailand to take advantage of its low-cost labor for manufacturing.

The results are to be seen everywhere, from Toyotas and Hondas clogging Bangkok's streets, to the country's booming exports of everything from Reebok running shoes to IBM circuit boards.

Foreign investment is also fueling a construction boom, making companies like Siam Cement a favorite among portfolio managers. David Brennan, whose Asia Pa*cific Fund has a 26 percent holding in Tai*wan, also favors financial stocks such as the Thai Farmer's Bank and Bank of Ayudhya. "The tight government regulations are being relaxed on foreign exchange and the important ratio of loans to capital, which formerly forced banks to go out for equity each year," *he points out.*

Others have been bargain hunting among Thailand's younger, up-and-coming companies. Henry Thornton, who manages the Siam Small Companies Fund for Royal Trust Asset Management, is concentrating on companies capitalized at less than $100 million, and those planning to go public. Citing one of his most successful picks, Technology Applications, a manufacturer and exporter of telephones, he says, "We bought it for 80 baht a share and it came to market at 330 baht."

The story of the Thai market's fall highlights the risks inherent in its rise. On the way up, the market outstripped "big brother" Japan. On the way down, it almost doubled the percentage losses of Tokyo shares.

If the oil price falls back and economic growth is sustained, a strong swing up could be expected. If there is to be a worldwide recession, it is the weak and the small who will suffer most.

Expensive oil will not help Thailand's rising inflation, which some critics say the government has been slow to deal with in an overheated economy. Mr. Young believes that if the price per barrel rises above $30, Thai inflation will rise by 1 percent.

The issue essentially is this: If a recession is avoided and markets pick up, Thailand looks like a good bet, especially now that it has come off the highs. "Thailand is at the hub of the Indochina growth story," Mr. Brennan says. "It has the best potential in the region over the next ten years."

If readers decide to invest, here's how.

The Bangkok Stock Exchange is open to foreign investors, but limits on foreign ownership, a lack of conventional research and settlement difficulties make funds the only realistic way to access this market.

For those who want a "pure play":

● Several London and offshore closed-end funds, such as the Thai-Euro and Abtrust New Thai funds, invest exclusively in Thailand. These funds usually trade at a discount to the value of their holdings and are required to reinvest their capital gains. Although dominated by institutions, individuals *can purchase shares through U.K.* brokers, with amounts and commissions to be negotiated. Two open-ended vehicles, the Thailand and Bangkok funds, are also available in London.

● The New York Stock Exchange lists two closed-end funds, the Thai Fund and Thai Capital Fund. Unlike their British counterparts, these U.S. single-country funds can be *volatile*, and often trade at a premium to their net asset value. Shareholders are predominantly individuals and can receive distributions of income and capital gains. Shares can be bought through any U.S. broker at standard commission rates.

For those who prefer to spread their risk:

● A number of diversified Pacific Basin funds hold substantial stakes in Thailand. Two examples are the New York-listed Asia-*Pacific Fund, with a 26 percent stake, and in* London, the Abtrust New Dawn fund, with nearly 40 percent. Both these closed-end funds are currently trading at a discount to net asset value.

For the more risk-oriented:

● The London-listed Siam Small Companies Fund invests in Thai companies with up to $100 million market capitalization and places up to 25 percent of its assets in companies coming to *market. In New York, the* recently launched Thai Capital Fund will allow a similar strategy.

● Several London and offshore funds such as Thornton Asian Emerging Markets and Abtrust New Thai carry warrants which trade separately. Strictly for risk-oriented investors, these vehicles offer a highly leveraged play on the Thai market. They should be bought with professional advice from U.K. brokers specializing in warrants. □

The engine driving much of Thailand's economic miracle is Japan.

Top Ten Thai Funds Over One Year
Lump sum performance using offer prices, in U.S. dollars

CEF Pacific Venture	198.68
SHK Oriental Energy Econ.	195.89
Siam Fund	178.56
Royal Life/Baring H.K.	168.90
Connaught Thailand	162.32
Royal Trust Asia Pac. Grth	161.10
Govett Flexitd Far East Equity	160.67
Abbey Asian Pacific	160.63
Skandia/Garimore Pac. Grth	159.38
Royal Trust PPT Hong Kong	158.56

Top Ten Thai Funds Over Five Years
Lump sum performance using offer prices, in U.S. dollars

JF Philippine	1,245.68
Tyndall Tiger	570.30
Equitable Life Far Eastern	562.10
GT ASEAN	505.58
GAM Pacific	499.34
Garimore Pacific Growth	475.41
Baring Pacific	472.34
JF Pacific Securities	467.17
Indosuez Oriental Ventures	462.39
Baring Malaysia & Singapore	462.19

Source: Micropal

BRIEFCASE

U.S. Investment Manager Plans East Europe Funds

The U.S.-based investment manager Wright Investors' Service (WIS) is expanding the scope of its funds to include Eastern Europe.

The Equifund, which is registered with the Securities and Exchange Commission and the regulatory authorities in Luxembourg, will shortly offer a portfolio invested in Hungary. Other East European portfolios are scheduled to follow.

The Hungarian portfolio will be split into two classes. The first will be aimed at Hungarian investors and be denominated in the local currency, the forint. The second will be aimed at the international investor and be *denominated in hard currency, possibly* Deutsche marks.

"We have an agreement with the Hungarian central bank that the conversion rate on withdrawal will be the same at the time of investment," said Jerome S. Augustine, a senior vice president of WIS in Bridgeport, Connecticut.

That way investors avoid losing out on the possible currency depreciation of the forint *against Western money.*

The fund managers levy no initial charge. The worldwide network of partner banks, *however, does. A stake in the Equifund can* be purchased through institutions such as Commerzbank, Banque Indosuez, or Barclays Bank.

"The initial charge varies from bank to bank," Mr. Augustine said. "Some don't charge anything, some take 5 percent." An annual management fee of 1 percent is taken by WIS.

The minimum initial investment is likely to be $1,000.

Details from WIS, Park City Plaza, 10 Middle Street, Bridgeport, Connecticut, 06604.

Calling on the Run

Estimated share of the telephone credit *card market in percent and millions of* cards issued. 1990 revenues estimated at $6 billion from 108 million cards.

Source: Transaction Billing Resources NYT

Telephone Charge Cards A Ringing Success in U.S.

Telephone calling cards were long the industry's doormats — useful, but taken for granted. Now the largest long-distance companies are giving them mantelpiece display.

These thin plastic rectangles for charging calls, with 10-digit numbers and magnetic strips, have become favored weapons in the battle for America's $52 billion long-distance market.

The cards, rare until the early 1980s, will be used for an estimated $6 billion in calls this year.

The four largest long-distance U.S. companies are pouring money and people into improving their cards or issuing new ones with extra features.

A recent court ruling may eventually increase card-number digits from 14 to as many as 21, including the four-digit personal identification codes not printed on the cards. *The extra digits will make it easier for* customers to use their cards from any push-button phone, no matter which long-distance carrier the phone is assigned to, because telephone company computers will more readily recognize who issued the cards.

Wanted: Century-Old Coins For Silver Dollar Road Show

Numismatists take note: The Professional Coin Grading Service (PCGS) is looking for selected Morgan Silver Dollars, mostly dated between 1878 and 1904, to form part of its traveling Silver Dollar exhibition.

The PCGS Silver Dollar Tour will debut in Seattle on Aug. 22, and the company invites the owners of the specified fine coins to participate in the exhibition.

PCGS claims to have graded more than 2 *million coins with a declared value of* $2.48 billion. The company has 567 recognized dealers.

Potential customers in the United States can call, toll-free, (800) 447 8848, or (800) 3444 8848 from California. PCGS can be reached at PO Box 9458, Newport Beach, *CA 92658.*

Product Liability Lawsuits May Boost Insurance Cost

Insurance is set to get more expensive, or the risks covered will be more strictly defined, according to international law firm Oppenheimer, Wolff & Donnelly.

A spokesman for the Minnesota firm said that recent court rulings extending the doctrine of product liability could have serious implications for manufacturers, insurance companies, and consumers, who could face higher prices.

A series of claims relating to environmen*tal issues has seen the manufacturers of* products of all sorts found liable for ecological and other damage caused by their products.

As the lawsuits multiply, the insurance companies find that claims from beleaguered manufacturers mount. Result? Insur*ance contracts are being more narrowly* worded, or premiums are going up.

Either way, manufacturers will pass the extra costs on to the consumer in the form of higher product prices.

North Star Firm Launches Dollar-Denominated Funds

The investment firm North Star is launching three new funds denominated in U.S. dollars.

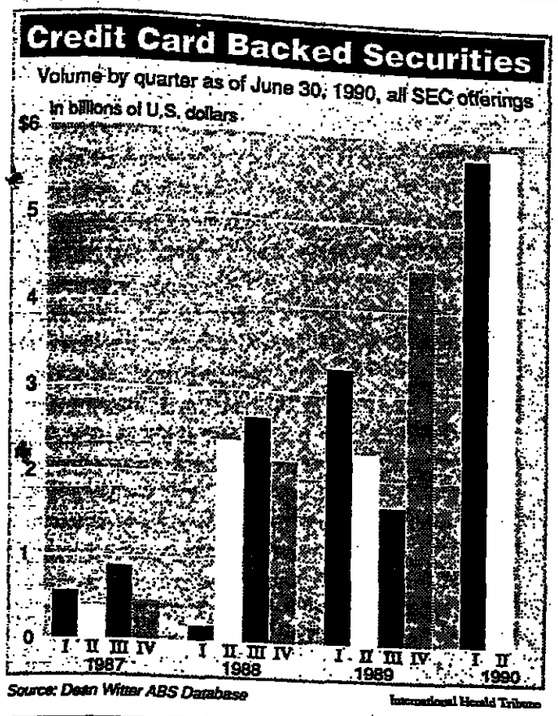
The Growth, Income and Currency funds will mirror the concept of original North Star funds. Corporate and government bonds, as well as short-term deposits and *other money-market instruments* will be purchased for the funds.

The managers may use credit, or leveraging, to obtain higher yields, but will never borrow against share investments.

The minimum investment is $2,000 with an initial charge of 5 percent. Investments of more than $150,000 qualify for a discount of 1 percent. The discount increases to 2 percent for investments of more than $300,000, and so on in tranches of $150,000.

The funds, which are not registered with the U.S. Securities and Exchange Commis*sion and are therefore not available to* American nationals, are managed out of Luxembourg, with an administrative presence in the Cayman Islands.

Details from MK-P Consultants, 39 Toldbogade, 11 DK-1253 Copenhagen K, Denmark. Telephone 45 33 32 11 22.



Credit Card Debt Shapes Up as the Junk Bonds of the 1990s

By Vivian Lewis

New York

IF THE JUNK bond market's dive, the Savings & Loan fiasco, and the tremors from the Gulf have not diminished your appetite for high returns, this might just be the investment for you: High-yield credit card receivables are the junk bonds of the '90s.

The investment is, like any other bond, the right to be paid for a certain period of time. The right to receive income, or "receivables" in market jargon, is bundled up and sold as a security. While the feckless pile up credit card debt, you can earn a good return taking a chunk of their interest payments. The main buyers of credit card receivables have been institutions, but now a market aimed at individual investors is developing.

The old story that there is no profit without risk runs true here. Unless there is a special insurance policy, a buyer of a bond runs the risk that the payers of the debt will default. That, in broad terms, was what happened to the junk bond market.

While the payers of the debt cannot all be great risks, the yields on offer are higher than some of the standard alternatives, such as Treasury bonds or certificates of deposit or even triple A corporate Eurobonds.

Among those offering credit card receivables targeted at individuals are Sears Roebuck, Citibank, Maryland Bank and First Chicago.

In early 1989, with its first issue of $500 million yielding a monthly income, Citibank took the lead in selling packages of credit card accounts with face values as low as $1,000 to American and foreign individual investors.

What it calls Citi Credit Card Trust participation certificates are pseudo-certificates of deposit. Unlike a call deposit, or CD, these instruments are not insured by the Federal Deposit Insurance Corp., but they are assessed by independent professionals for their riskiness. The technical term is "rated," and a triple A rating means that the security is of the highest caliber, and by implication that the debtor is unlikely to go broke.

Such bonds can run for 3 to 7½ years, and they pay yields exceeded only by junk bonds. Of course, there is a risk commensurate with a high return but the paper has been tailored to reduce it with letters of credit and maturity guarantees from Credit Suisse's New York branch or J.P. Morgan, and other safeguards.

One effect of this safety measure is to eat up a part of the potential yields; the other is to get the issue a triple A rating.

Fitch, a U.S. rating agency, recently confirmed the AAA rating of Citi Credit Card securities while downrating to single A those of Sears. All Sears credit-card-backed bonds count as subordinated debt, and Fitch thinks the yield is too low given the risk small investors are bearing.

Citi Credit Card receivables can be purchased through Eurobond dealers as well as U.S. brokers.

The U.S. market tends to favor small investors, while the European issues tend to be expensive for the individual. The three Euro-issues are handled by Cedel and Euroclear and have a special guarantee of withholding taxes, as well as a credit guarantee.

Although a public market does exist for this kind of paper, it is hard for retail customers to sell it on, because of transaction costs. So most customers in the United States wind up holding credit card securities until the obligation to pay expires. And while the face value of $1,000 sounds like it would appeal to small savers, in fact the average U.S. holding per issue is $25,000 — and abroad it is still higher.

Other banks offering securities backed by credit card receivables include Chemical Bank, Security Pacific, Bank of America, Lomas Bank, and Manufacturers Hanover. Besides Sears, J.C. Penney also sells securities backed by credit cards. Not all this paper has been rated. And other leading holders of credit card receivables also are proposing to sell them off.

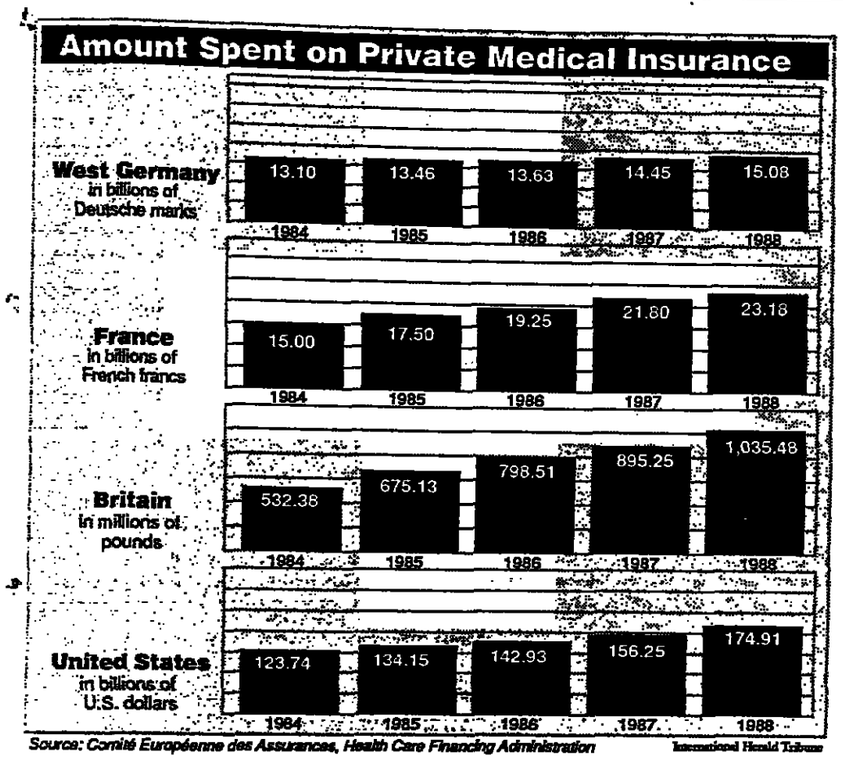
If in your search for income you pick the security of a federally insured CD, the Mark Twain Bank of St. Louis, Missouri, offers them in almost any market currency, on condition that you place more than $10,000 with the bank. You set the term; the bank will set the rate, and both interest and principal are repaid at the end of the deposit period, which has to be shorter than one year. Eurorates are matched for deposits over $5 million, according to the bank's capital markets manager, Frank Trotter.

Yet, even for smaller amounts where interest is below Eurorates, there are good reasons to hold a U.S.-based deposit account in a foreign currency, Mr. Trotter said. First of all, this is an operation legal in the United States, subject to U.S. taxes, and not subject to the $10,000 reporting requirement for foreign movements of money. Secondly, the account is insured by the Federal Deposit Insurance Corp. Lastly, dissuasive foreign taxes (like the 35 percent Swiss withholding tax on foreign-owned accounts) are not applied.

Commercial Bank of New York aims to become a European-style private bank for Americans. Its head is Gabriel R. Safdié, a member of the Lebanese-Brazilian family that also operates Banco Cidade in São Paulo and Banque Multicommerciale in Geneva, both joint ventures with Banque Nationale de Paris.

Besides offering sophisticated American and foreign customers high levels of personal attention, CBNY is "geared to the international mentality," according to Mr. Safdié. So, Commercial Bank also offers foreign currency deposits — Deutsche marks, French and Swiss francs, yen, Canadian dollars and ECUs, for which clients choose the duration if they deposit $50,000.

Ten percent of the CBNY's footings of $300 million are denominated in foreign currencies. Yet, what is astonishing to Mr. Safdié is how few other U.S. banks are offering forex accounts. "Computer systems have to be adjusted, and accounting," which discourages most rivals, he said. "Americans are not very oriented to foreign currencies." □



Judging Financial Newsletters

By David C. Lanchner

Paris

WHERE CAN the individual investor find cheap, reliable advice and information on stocks and shares? The traditional sources are the broker, or financial expert, and the newsletter — a subscription service that typically offers expertise or specialization in a particular market. But investors are increasingly finding themselves caught between a rock and a hard place when it comes to filling the information gap.

As securities industry monopolies and commission structures are deregulated, European brokerages are cutting back on expensive research departments with the result that the individual investor is getting frozen out of the information circuit.

"Today," says the European market strategist of a leading international brokerage, "there are increasingly few investment houses that are willing to deal with the retail client."

Investment newsletters have filled the information gap in the United States but they have largely failed to do so in Europe. Britain is regarded as Europe's leading newsletter market both in terms of quality and size.

A senior executive at Fleet Street Publications, the largest newsletter publisher in Britain, commented: "In the U.S., newsletters are overseen by the government's Securities and Exchange Commission, while here newsletters are mostly self-regulated. That has produced an industry dominated by tip sheets and credibility problems.

"At a time when newsletters could be filling the shoes of traditional research houses, this is killing the industry."

Newsletter publishers estimate that there are only about 50 publications providing investment advice to individuals in Europe, with about half of those in England.

Questionable practices that would be condemned in the United States reportedly flourish in the European industry. "Although no one has ever been prosecuted, what you get here is considerable pumping of shares, which basically amounts to insider dealing," said the Fleet Street executive. "If it is not done by the newsletter itself, it is done by its sources." Many of the tips come from the brokers themselves.

Another critical problem with newsletters in Europe is that there is no easy way to gauge the effectiveness of their advice. In the highly competitive U.S. market, many newsletters are run by well-known investment managers with public performance records that can be checked. Most newsletters also carry "portfolios," which list the performance of all recommendations until readers are advised to sell out of a position.

And for a comparative ranking of newsletter performance, investors can turn to Hulbert's Financial Digest, a publication based in Alexandria, Virginia.

As an alternative to the average newsletter, investors can turn to newspapers and the brokerage firms that still provide retail client advice. They can also try to track down the few good newsletters that European investment professionals say are out there.

"Retail-oriented newsletters tend to be quite bad," says Alfons Cortes, a stock market strategist with Unifinanz, an investment research firm in Sevelen, Switzerland. "But there are a variety of newsletters that cater to a mixed crowd of professional money managers and individual investors that are quite good." These letters either adopt a more reportorial approach than the retail-oriented tip sheets or else they are the product of technical analysts who tinker with complex historical price models to identify promising markets and investments.

Questionable practices reportedly flourish in Europe.

One of the more highly respected technical newsletters is FullerMoney. It is owned by David Fuller, who is perhaps the closest thing Europe has to an American-style newsletter guru.

Mr. Fuller's newsletter is typically 12 fairly dense pages of world stock, bond, and currency reviews. "We scan technical charts for particular investments as well as overall markets and when we find something interesting in terms of price and trading patterns, we take a look at fundamentals," he said. "When there is a story on both fronts, we alert readers. The newsletter comes out once a month and costs £144 ($269) annually, although trial subscriptions are available.

One technical newsletter where investors can get some idea of performance is Cambridge Commentary. The newsletter focuses on medium-to-large U.K. stocks and is put out by Investment Research of Cambridge, the oldest technical analysis house in Britain.

A newsletter with a fundamental approach that has received the support of an impressive array of investment professionals is the London-based Small Company Investor. Among the subscribers are Chase Investment Bank, Schroeder's and Lazard Brothers. The 20-page newsletter, edited by Bryan Hubbard, a former journalist, covers small stocks throughout Europe and comes out twice a month. "We are more information gatherers than stock tippers," says Mr. Hubbard.

FullerMoney: c/o Chart Analysis LTD, 7 Swallow Street, London W1R 7HD.

Cambridge Commentary: c/o Investment Research of Cambridge LTD, 28 Panton Street, Cambridge CB2 1DH.

Small Company Investor: 4 Wallace Road, London N1 2PG. □

Have all the advantages of a bank account in LUXEMBOURG, without actually being there.

Luxembourg is a stable, prosperous financial centre in the heart of the European Economic Community.

To discover the advantages of banking in Luxembourg with BCC, all you have to do is to simply mail the attached coupon. We will promptly despatch to you our folder containing detailed information about banking in Luxembourg.

The BCC Group has offices in 73 countries, its Capital Fund is US$1,475 million and total assets US$23,500 million. Both the Head Office & the Branch of Bank of Credit & Commerce International SA are in Luxembourg. It all the more enables us to fully extend the unique advantages available there. The emphasis is on service, better service in Luxembourg, in Europe, around the world.

Mail this coupon for your FREE copy of "International and Personal Banking in Luxembourg" to

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. 25 BOULEVARD ROYAL, PO BOX 46 LUXEMBOURG. TELEX: 2287 BCCI LU

Name
Address
Phone
IHT 11/8

Health Care: Dividing the Risk

THE BIG financial tip on health care is simple. If you want to save money, don't get sick. Unfortunately, none of us has the choice, so we are forced to plan according to the cost of medical care where we live.

Europe has traditionally been the home of "free" health care — actually paid for by residents through taxation of one form or another. The basic rule is that if you live and work in Western Europe, you can expect some sort of health care through the social security system. In most European Community countries the state care is adequate, though Greece and Spain are considered to have below par systems.

There has recently been considerable growth in private medical care in Europe. Although the American Hospital in Paris is one of very few full-service private hospitals in France, the private sector is expanding, as it is in Britain and Germany.

If you live in North America, Africa, the Middle East or Far East, you should expect to provide for your own medical services. The basic rule here is that medical facilities do not come free — and they can be cripplingly expensive.

Consider this. An American couple scrimps and saves to provide for a major financial goal: a comfortable retirement.

The rights of the "at-home spouse" are at issue.

When they retire, one develops Alzheimer's disease and is forced to go to a nursing home for round-the-clock care. The nursing home bills then eat up the assets of both.

This scenario is a common one for America's elderly. Without regard to whether they are rich or poor to begin with, many end up the same way: destitute.

What can they do? Increasingly, lawyers and financial planners are arguing that elderly couples should be able to do what is delicately called "Medicaid planning."

This would sidestep a private insurance requirement by a neat piece of estate management. One of the two would hold and preserve the couple's assets while the other, who is sick, becomes technically destitute and goes into a nursing home at government expense. This is done through the Medicaid program, introduced in 1965, as a joint federal/state program.

To qualify, a patient must show extreme financial need. That means the assets of both spouses must be nearly exhausted for one to be eligible.

It is the rights of the "at-home spouse" that are at issue.

"I don't think it's right to force both people to go down the tubes because one is ill," said Violet P. Woodhouse, a financial planner in Costa Mesa, California.

Her proposed solution is to allow the couple to split their resources. The ill spouse would use one half to pay nursing home bills. The at-home spouse would keep the other half.

The government, which revised eligibility requirements as recently as January 1990, has not accepted Ms. Woodhouse's solution, though.

Just how the eligibility law works was explained by Peter J. Strauss, a partner at Fink Weinberger in New York and a specialist in Medicaid planning.

To become eligible for Medicaid, a person may have only very limited assets — enough to cover burial plus a couple of thousand dollars.

In New York, the limit is $4,850. "In other states, it would be even less," Mr. Strauss said.

The federal and state governments split the tab for Medicaid. Guidelines are set in Washington, but each state adopts its own rules.

The spouse of a Medicaid applicant, meanwhile, is allowed to keep certain things while his or her partner qualifies for Medicaid. These include:

- Exempt assets, including the family home, a car and some personal possessions such as jewelry.
- A limited monthly income from pension, Social Security or investments. The amount varies from state to state, from $815 to $1,500.
- A portion of whatever remaining nonexempt assets the couple has, including cash, securities, a vacation home and other investments. This figure also varies from state to state, from $12,000 to $60,000.

The numbers for both monthly income and remaining nonexempt assets are indexed for inflation.

New York and California, for example, both picked the maximum allowances; when indexed, they amounted to $1,565 and $62,580 for 1990.

When the law was changed last year to establish some national standards from a 50-state patchwork, Per H. Trebler, a lawyer in Santa Ana, California, added Medicaid counseling to his estate planning business.

He says the new law allows him to look for ways a couple can shelter more of their assets.

For example, he might suggest they pay off the mortgage or use cash to improve the home, thereby converting liquid assets into exempt assets.

Still, when asked whether the surviving spouse could exist on what is available, he said, "Probably not."

Mr. Strauss, whose book "Aging and the Law" was recently published by Commerce Clearing House in Chicago, takes a much more aggressive stance, namely, that the $62,580 resource limit should be a minimum, not a maximum.

He tells couples that the spouse who is ill can transfer all of his or her assets to the other spouse and qualify immediately for Medicaid to pay nursing home bills. (If assets are transferred to anyone other than a spouse, there is a waiting period).

The at-home spouse can then refuse to pay any of the nursing home costs, arguing that he or she needs all the money to live. The state must prove otherwise.

"The law says that the patient is considered to own everything over the resource allowance," Mr. Strauss said.

However, "If it is in the possession and ownership of the at-home spouse and the at-home spouse refuses to make those assets available, Medicaid must be approved."

Mr. Strauss takes care to point out that there may be income-tax and estate-tax consequences to asset transfers.

Critics argue that it is unfair for a couple to dump nursing home bills on the government while the spouse retains assets.

But where would they draw the line? Mr. Strauss draws none.

"What we do to tap the Medicaid program, to make it a resource for clients who have a need for that resource, is no different from estate planning or income tax planning," he said.

"Until Congress solves the problem and stops making Medicaid the dumping ground for long-term care, then I will help people avoid impoverishment." □

International Herald Tribune

INTRODUCTORY TRIAL

Value Line only $95

If no member of your household has subscribed to Value Line in the past two years, you can now receive full-page analyses of about 130 American and Foreign stocks each week for the next 12 weeks for $95. As a double bonus at no additional charge, you will also receive the 2000-page Investors Reference Service (covering 1700 American & Foreign stocks) and the 72-page booklet, *"A Subscriber's Guide"*, which explains how even inexperienced investors can apply thousands of hours of professional research to their own portfolios by focusing on only two unequivocal ratings, one for Timeliness™ (Performance in the next 12 months), the other for Safety™.

We make this special offer because we have found that a high percentage of those who try Value Line for a short period stay with it on a long-term basis. The increased circulation enables us to provide this service for far less than would have to be charged our long-term subscriber's were their number smaller. Send payment along with name address together with this ad to: Dept. 913 D 11

The Value Line Investment Survey
711 Third Avenue, New York, N.Y. 10017 U.S.A.

Payment in local currencies (British £65, French fr640, Swiss fr165, DM 190) and request for information should be directed to: Value Line, Att: Alexandre de Saint-Phalle, 2 Ave. de Villars, 75007 Paris. (Tel. 45.51.63.59)
Distributed by KLM Royal Dutch Airlines Publication Distribution Service Holland. Allow 4 weeks for delivery.

HOW TO ACHIEVE A BULL MARKET PERFORMANCE IN A BEAR MARKET. AND STAY LIQUID.

In today's uncertain markets, more and more investors are considering cash as the safe alternative.

And, of course, sacrificing potential performance in the process.

But how about an investment with the liquidity of cash, the performance of an equity in a bull market and a return to risk ratio five times better than an equity index?

Gaia Hedge II, the world's top performing currency fund, represents just such a combination. In over 2 years since launch it has achieved net returns of over 166% – equivalent to a compound annualised return of 56%†

Highly liquid,* it is a new type of investment, pioneered by Gaiacorp, utilising forwards and options in a portfolio of long and short cross-currency positions, determined by technically based optimisation systems.

The result? No sacrifice of performance.

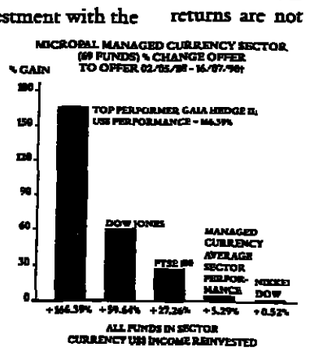
Based on a system proven in six years of trading, it offers greater expected returns for a given level of risk than other investments. And it is genuinely independent of equity markets.

The Gaiacorp approach is unique

Unlike a managed currency fund which restricts investments to a limited portfolio of long positions, a currency hedge fund is diversified on the short side as well, so returns are not so dependent on the performance of the reference currency.

Taking opposite positions in correlated currencies contributes to the extreme stability of the hedge structure. This can then be leveraged several times before reaching the volatility of a traditional managed currency fund.

The results speak for themselves.



In today's market, Gaia Hedge II offers the ideal solution to balancing risk and reward, growth and security. How can you have an optimum portfolio without it? If you'd like to hear more, telephone us on 071-493 7455 or clip the coupon.

This advertisement is issued with permission of Gaiacorp Limited (the Investment Manager of Gaia Hedge II Limited) by its U.K. subsidiary Gaiacorp U.K. Limited, which is a member of IMRO. Gaiacorp Limited and the Gaia currency hedge funds which it manages are not registered by IMRO and may not fall within the UK investors' Compensation Scheme. Applications to subscribe for shares in the Fund may only be made on the basis of the Explanatory Memorandum. Being an unrecognised overseas scheme, details of the Fund may not be distributed within the U.K. other than to authorised persons and those to whom an authorised person is permitted to promote such a scheme.

*Gaia Hedge II is redeemable on one week's notice to the weekly valuation date.
†Source Micropal Statistics managed currency sector survey calculated on an offer to offer basis with income reinvested to 16th June 1990. FTSE100 and Nikkei converted to US$. Past performance is no guarantee for the future and the value of investments can fall as well as rise.

GAIACORP
CURRENCY MANAGERS

Please send me my free information pack. To: Gaiacorp U.K. Limited, 20 Upper Grosvenor Street, London W1X 9PB.

NAME_____ COMPANY_____

ADDRESS_____

_____ POSTCODE_____ TELEPHONE_____

A78INV

SPORTS

SIDELINES

Report: Beckenbauer to Help Set Up '94 World Cup, Work With U.S. Team

BONN (UPI) — Franz Beckenbauer, the former West German national soccer coach, who steered his team to triumph in the World Cup in Italy, will be part of the team that organizes the 1994 World Cup in the United States, a West German sports magazine reported.

The magazine, Kicker, said Beckenbauer would also be looking after the American team.

"I will be part of the organization in the last two years before the World Cup," Beckenbauer was quoted as saying after he came back from a one-week advertising tour through the United States, where he also met with one of the possible World Cup organizers, Peter Ueberroth.

"It is clear that I also will look after the national team of the USA indirectly," Beckenbauer told Kicker. The magazine said Beckenbauer's exact position had not been sorted out yet.

New Format for Wightman Tennis

LONDON (AP) — The Wightman Cup women's tennis series has been revived under a new format, with the United States to play a team of Europeans.

The traditional format of a U.S. team playing the British was abandoned last year because it was too onesided. Since the competition began in 1923, Britain has won only 10 of the 61 challenges.

The first tournament under the format announced Thursday by the British Lawn Tennis Association will be in the United States next year.

Henefeld Returns to Play in Israel

JERUSALEM (AP) — Nadav Henefeld, a key member of the University of Connecticut's basketball team, said Friday he has signed to play with a team in his native Israel and is not returning to the Big East Conference school.

Henefeld, 21, had two years of eligibility left. He told Israel radio he had signed with Maccabi Tel Aviv, Israel's national champion.

Boxer Gives Up License Over Dispute

PENSACOLA, Florida (AP) — Olympic silver medalist Roy Jones Jr. and his promoters will give up their Florida licenses in a dispute over state regulation of boxing and who is to blame for Jones's bout with an impostor.

The action means Jones no longer will fight in Pensacola, his hometown, or anywhere else in Florida, at least in matches under the auspices of the Florida Athletic Commission.

The dispute stemmed from Jones's July 14 fight with a boxer billed as Derwin Richards of Houston, the junior middleweight champion of Texas. Two days later the commission discovered the man Jones knocked out in the first round was an imposter.

Jones's handlers contend the commission is to blame for allowing Anthony Waddles to impersonate Richards. But Don Hazelton, executive director of the commission, says Square Ring Inc., a Pensacola company that manages Jones, was supposed to verify his opponent's identification.

Berger Record-Setter in Hungary

BUDAPEST (AP) — Gerhard Berger of Austria shattered the qualifying record as he gained the provisional pole position Friday after the first qualifying session of the Hungarian Grand Prix.

The fastest lap by Berger, in a McLaren-Honda, on the 3.97-kilometer (2.47-mile) Hungaroring circuit was 1 minute, 18.127 seconds, almost 1.6 seconds better than the previous qualifying mark of 1:19.726 set by Riccardo Patrese of Italy last year.

Defending champion Nigel Mansell, in a Ferrari, was second in 1:18.739 with Jean Alesi of France third in a Tyrrell-Ford.

For the Record

Wade Phillips has taken over as interim coach of the Denver Broncos while Dan Reeves is hospitalized. Reeves, diagnosed as having hardening of the arteries, was flown to a Redwood City, California, hospital for what could be weeks of recovery. *(AP)*

Kuo Lee: Taiwan's Iron Man

United Press International

EDMONTON, Alberta — Kuo Lee Chien-Fu said his arm felt "a little heavy" after he pitched in Taiwan's 6-1 victory over the Netherlands.

Kuo Lee's arm should be heavy. His performance on Thursday was his second complete-game victory in two days, and his third in four days at the World Baseball Championships.

Kuo Lee now has pitched 25 innings and has thrown 313 pitches since Monday, including 18 innings on consecutive days. He shut out Canada, 10-0, in seven innings Monday and beat Venezuela, 5-1, Wednesday.

What's more, Kuo Lee has allowed only two earned runs in his three wins, for an earned- run average of 0.72.

"I've never heard of anyone pitching that much baseball," said Claude Pelletier, a scout for the Los Angeles Dodgers of the National League. "You're not supposed to do it, but it seems to work with him."

Sitting behind home plate on Thursday, Pelletier clocked Kuo Lee's fastball at an average of 89 mph, and said he reached a top speed of 91 mph. The average speed of a fastball thrown by a major league pitcher in the United States is 87 mph, he said.

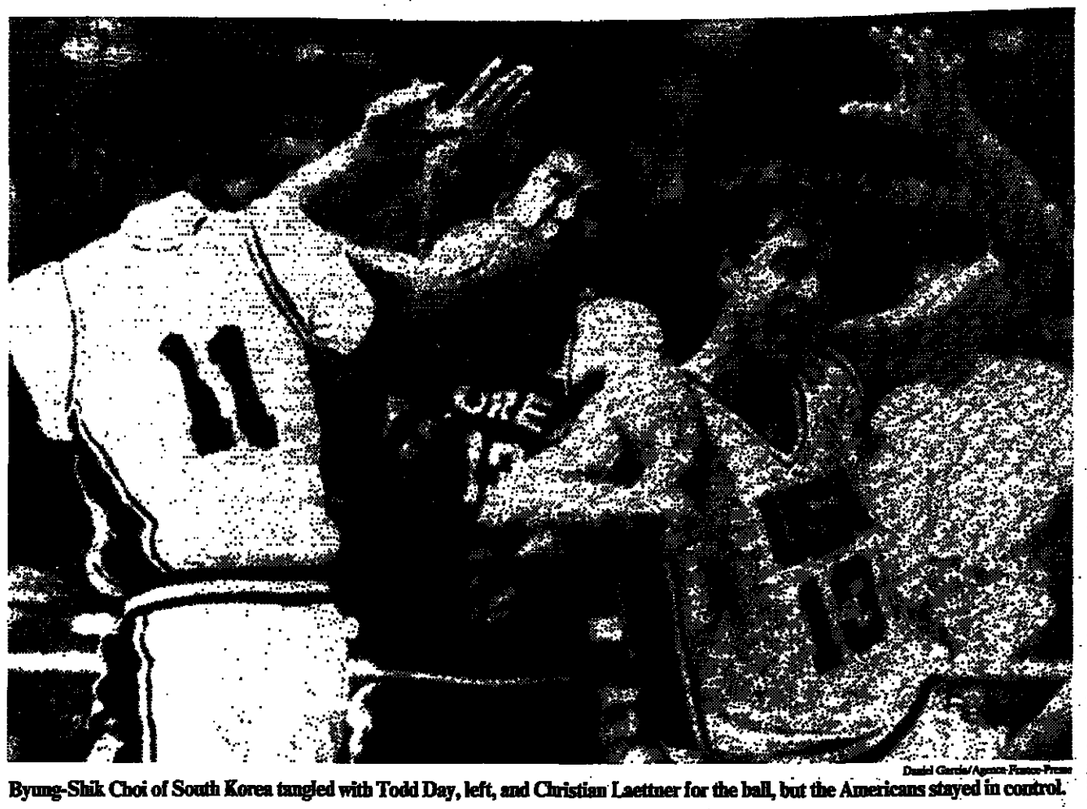
"He's throwing fastballs, curveballs, sliders, everything," Pelletier said. "But the question is, does he continue? Where does he go from here?"

Kuo Lee said it is not unusual for him to pitch so often.

"We practice this much every day," he said, speaking through a translator after Thursday's game.

Taiwan's victory earned it a spot in the second round of the tournament. The Dutch team will play in the consolation round.

In Thursday's other game, Mexico defeated Italy, 6-5. Both teams were to play in the consolation bracket of the tournament's second round on Saturday.



Daniel Garcia/Agence France-Presse

Byung-Shik Choi of South Korea tangled with Todd Day, left, and Christian Laettner for the ball, but the Americans stayed in control.

U.S. Routs South Korea in Basketball

The Associated Press

BUENOS AIRES — The United States looked as impressive as it was expected to look in a 146-67 victory over South Korea in the World Basketball Championships.

But more important than the victory on Thursday was the way the U.S. team came back from a poor effort in the opening-game overtime victory over Greece.

The United States had only to lose by less than eight points to Spain on Friday to make the quarterfinals.

The top two teams in each group advance to the quarterfinals, which start Monday, and a victory over Spain would have made the United States 3-0 in Group C play. A close loss would have been enough to give the Americans the tie-breaker advantage over Spain.

"Spain is well-coached and they are much healthier than they were at the Goodwill Games," the U.S. coach, Mike Krzyzewski, said of the team which was last in that eight-team field.

Greece beat Spain, 102-93, in Thursday's other Group C game to set up the point-differential situation.

Two teams in Group A, Yugoslavia and Puerto Rico, clinched quarterfinal berths with victories on Thursday. Yugoslavia, with Drazen Petrovic of the Portland Trail Blazers scoring 20 points, beat Angola, 92-79, and Puerto Rico stopped Venezuela 88-74.

Brazil improved to 2-0 in Group B with a 138-95 defeat of China, and Italy put itself into position to win a spot in the quarterfinals by beating Australia, 94-89. Italy, which closes qualifying play against China, would advance unless Australia upsets Brazil.

In Group D on Thursday, forward Sebastian Uranga scored 13 of his 19 points in the waning moments as Argentina, scoring the last 14 points, surprised Canada, 96-88, to virtually clinch a spot in the next round. The Soviet Union beat Egypt, 102-76, and is Canada's next opponent. Argentina closes against winless Egypt.

The United States was impressive against South Korea and it was much more than the huge margin.

"We have more talent than South Korea and should win," Krzyzewski said. "But in winning today we played well. You can win and play poorly."

That's what the United States did against Greece, and coach and players alike were impressed with the 24-hour improvement.

"You learn from games like this and we learned a lot today," said Alonzo Mourning, who had 29 points in less than 19 minutes against South Korea, which had no player taller than 6 feet, 6 inches (1.98 meters). "The guys were hitting their shots and got their shooting eyes back. This could be a start for us."

The Americans shot well (61-for-83), rebounded with intensity (a 54-17 advantage) and even threw in some solid zone defense in the second half when the game was out of hand. The lead reached 81 points twice.

"We focused on going into the game as playing ourselves," said Billy Owens, the most consistent player since the team was put together early in the summer. "We wanted to clear up a few things we did poorly yesterday and try to play hard and play team ball."

Against South Korea, Owens scored 17 points and had 10 rebounds, seven assists and five steals. Nine U.S. players scored in double figures.

"We adjusted better and played very unselfishly and with better concentration," Krzyzewski said.

Doug Smith made all eight of his shots and had eight rebounds and five assists.

"I think this game helped get back my confidence," he said. "I was trying to rebound, take it strong to the basket and get up and down the court the way coach wants."

Steelers Triumph In Montreal

The Associated Press

MONTREAL — The Pittsburgh Steelers built a 16-0 lead then finished off the New England Patriots, 30-14, in a National Football League exhibition game at Olympic Stadium.

A success for the Steelers was less so for the organizers of the game Thursday night. Only 26,869 showed up in the 60,000-seat stadium. But those who did attend stirred up quite a commotion.

"I was impressed with how much noise they made," the Steelers' coach, Chuck Noll, said. "This was like playing in France or something. It was great."

The game was one of four preseason games to be played outside the United States as part of the NFL's bid to expand its television and souvenir markets. Games were played last weekend in Tokyo and London, and the Kansas City Chiefs and Los Angeles Rams were scheduled to play Saturday in West Berlin.

For Gerry Snyder and Ron Wilson, Montreal businessmen, Thursday's game offered a chance to strengthen their 20-year-old bid for an NFL franchise.

The Steelers' president, Dan Rooney, said the game would have little bearing on future decisions of the NFL's expansion committee, but he said he was "impressed with the city. And I'm on the expansion committee and I'll say so when it does come up."

■ **Montana Gets New Pact**

Joe Montana, who led the San Francisco 49ers to their fourth Super Bowl victory and second in a row last season, negotiated one of the richest contracts in NFL history with the team's owner, Edward J. DeBartolo, and agreed to a four-year deal reportedly worth $13 million, The Associated Press reported from Rocklin, California.

The deal, according to a source close to the negotiations, reportedly would pay Montana $4 million this season, $3.5 million in 1991, $3.0 million in 1992 and $2.5 million in 1993.

The $3.25 million average per year would put Montana ahead of the NFL's current salary leaders: Buffalo quarterback Jim Kelly, who receives $3.14 million on average, and Philadelphia quarterback Randall Cunningham, who gets $3.1 million.

BOOKS

THE COMPETITIVE ADVANTAGE OF NATIONS

By Michael E. Porter. 855 pages. $35. Free Press, 866 Third Avenue, New York, N. Y. 10022.

Reviewed by Gail D. Fosler

PAUL KENNEDY'S hefty tome, "The Rise and Fall of the Great Powers," triggered a national controversy over the United States' relative standing as a world power. Although the battle of the "declinists" was fought to a draw in the 1988 presidential elections, Michael Porter, in his equally weighty new book, "The Competitive Advantage of Nations," has reopened the debate on a wholly new and promising intellectual plane.

In his 855 pages of almost too thorough analysis, Porter draws upon data from 10 countries and literally hundreds of industries to develop his own framework for understanding why internationally competitive industries are concentrated in some nations and not in others.

At the core of Porter's analysis is the notion that it is industries, not nations, that compete globally.

In his search for decisive characteristics of competitiveness, Porter relies on the building blocks of corporate success, which form what he calls "the national diamond." The "diamond" includes factor conditions ("the nation's position in factors of production, such as skilled labor or infrastructure, necessary to compete in a given industry"); demand conditions at home for the product or service; the presence or absence of related and supporting industries; and firm strategy, structure and rivalry.

National character and government policy also play an important role. Nations that are successful home bases for competitive industries are market trendsetters. They permit and encourage innovation and competition within and across industries. And they demonstrate an active, long-term commitment to education, technical training, capital investment and new technologies.

The basic theme of the book simply stated is: You are what you produce. Herein lies the United States' competitive problem.

The United States is giving up substantial numbers of critical industries and high-value jobs. Porter cites the loss of America's international leadership in automobiles, steel, consumer electronics, machine tools, office products, consumer durables, apparel and specialty telecommunications.

The United States, according to Porter, has lost its drive for innovation. America increasingly reflects the characteristics of a wealth-driven economy: mergers and acquisitions, underinvestment, diminishing competition, deteriorating skill levels, and short-term management goals.

In Porter's world, government should stick to its knitting: educate the work force, strenuously enforce antitrust policy, insist on tough industrial regulation, support civilian research and development and avoid protectionist policies. No gratuitous government subsidies or industry targeting for this management consultant.

The Porter work is timely because the 1980s were just an overture to the fiercely competitive environment we can expect in the 1990s. The newly industrialized countries in Asia are shifting beyond investment to the far more competitive stage of innovation. Countries like Mexico, Thailand, Malaysia and India, which just a few years ago were on the fringes of the economic mainstream, are now formidable players in the deadly serious game of global competition.

The question, as Porter says, is not whether the United States will be a major economic power. Its very size, the depth of its resources, and the breadth of its market and industries assure that it will be. "The issue instead is whether the American economy has the dynamism to maintain or raise the American standard of living, or whether the nation will slowly lose ground in relative terms."

America is facing choices. To date, neither the American people nor their leaders have been willing to make them.

Gail D. Fosler, former chief economist for the Republican staff of the Senate Budget Committee, is chief economist of The Conference Board, an independent research organization in New York. She wrote this for The Washington Post.

BRIDGE

By Alan Truscott

WHEN an opponent commits an irregularity and is subject to a penalty, it is perfectly proper to try to take maximum advantage of the situation. But players who do so must calculate carefully, or risk bringing an avalanche upon themselves. An example is the diagramed deal. The declarer was Phil Brady of Philadelphia. West's overcall of two clubs was artificial, promising a long suit, which was later revealed to be spades. He led the spade king against three no-trump and South won. Holding up the ace was only going to be useful in the unlikely event that West held eight spades and no entry. South led the diamond queen and finesse rather nervously. He could now see nine tricks, but this was a match-point event and he wanted overtricks if he could get them. When he led the club king and crossed to the ace in dummy, West threw a diamond. South now cashed the diamond ace, in the faint hope that the king would fall, and his play took East by surprise: Expecting another club lead, he threw a spade. This was a revoke, which he quickly corrected, but his spade remained on the table as a penalty card. Brady now had a tricky thought, which he would have rejected if he had stopped to consider that West's likely distribution was 7-1-4-1. He led a heart, knowing that the law relating to penalty cards allowed him to bar West from leading spades. But there is an exception to this: You cannot bar a player from leading a suit when he has nothing else in his hand, so West was able to take the heart ace, the diamond king and his six remaining spades. Down four.

NORTH
♠5
♡7632
◇A10
♣AQJ874

WEST
♠KQJ10972
♡A
◇K863
♣3

EAST
♠864
♡J10984
◇954
♣65

SOUTH (D)
♠A3
♡KQ5
◇QJ72
♣K1092

East and West were vulnerable.

The bidding:

South	West	North	East
1 N.T.	2♠	Dbl.	Pass
Pass	3♠	3 N.T.	Pass
Pass	Pass		

West led the spade king.

PEANUTS

BEETLE BAILEY

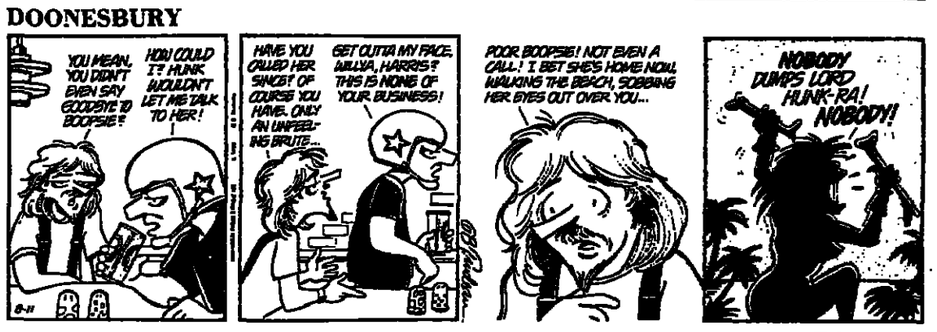
ANDY CAPP

WIZARD of ID

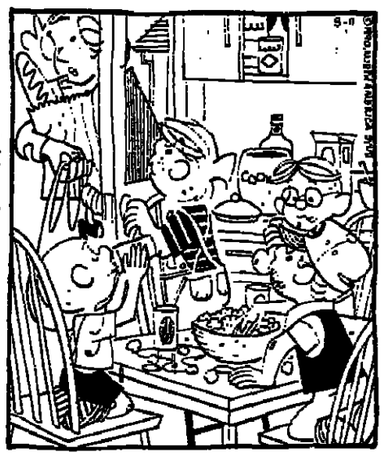
REX MORGAN

GARFIELD

DOONESBURY



DENNIS THE MENACE



"YOU'RE JUST IN TIME, MOM! WE'RE CELEBRATING YOUR BIRTHDAY!"

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GUPER

CUHDY

LIDBOY

SEATTL

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: " " (Answers Monday)

Yesterday's Jumbles: ARDOR RIVET FUNGUS EFFORT
Answer: What it takes for a deadbeat to keep all four — A RAFT OF FRIENDS

BLONDIE

SPORTS

Bobby Wadkins Leads as Long Faces and Short Fuses Dominate PGA

By Sally Jenkins
Washington Post Service

BIRMINGHAM, Alabama — The only roars at the PGA Championship were the indignant ones in the locker room. Rarely have players of this stature been so rebuffed by a golf course, and even the leader, Bobby Wadkins with his 68, suffered a double bogey on capricious Shoal Creek.

Running through a stifling Alabama hollow, along a ridge that after Thursday should perhaps be named Hamburger Hill, par-72 Shoal Creek is not very beautiful or even very notable. But tournament officials artificially toughened it with rough deep and thick enough to smother small unwitting animals, and let the sun bake the greens into the texture of shale rock. The result was that you could get permanently lost in the woods and long grasses of its 7,145 yards (6,500 meters), and some did.

Hale Irwin, the reigning U.S. Open champion, shot 77. Curtis Strange, a two-time Open winner, could not control his putter on the slick greens and shot 79, departing without comment and in a slow seethe. "Not now," he said.

Tom Kite, the PGA Tour's all-time leading money winner and a considerable pretournament favorite, shot 79. The course designer, Jack Nicklaus, hit three fairways all afternoon, mired in that choking rough for a 78. Jim Thorpe, the only black player in the field of 152 and the focus of attention in the wake of a civil rights controversy at formerly all-white Shoal Creek, had a 77. So did Seve Ballesteros, Greg Norman and Mark Calcavecchia.

Only 15 players broke par, 28 shot 80 or worse and the average score was 75.944. The only ones who safely negotiated the course were those who rarely missed a fairway and somehow made a few putts fall.

Wadkins, the 16-year veteran who unlike his prominent brother Lanny Wadkins has never won a tournament, recovered from his double bogey on the par-four fourth hole to shoot 31 on the back nine. He birdied three of the last four holes to seize a one-stroke lead over Fred Couples and Mark O'Meara.

Couples hit all but one fairway, and would have had a share of the lead but for a bogey 5 at the 18th.

Wadkins's wildly fluctuating round, eight birdies and two bogeys plus the double bogey, summed up the state of affairs on this distortion of a golf course, which he brooded over almost unhappily.

"I don't know what they're trying to prove," he said. His double on the 456-yard fourth was a simple matter of driving into the rough, from which he had no play to the green, hacking out of the long grass. He missed only one fairway and one green on the back side. After all that work, a 68 hardly seemed fair compensation.

Scott Verplank's four birdies on the front nine, including three in a row to begin his round, gave him a cushion as he endured a double-bogey 7 from the trees of the 17th. Billy Mayfair matched his 70.

Eleven more players just managed to slip below par with 71s, led by the reigning British Open and Masters titlist, Nick Faldo of Great Britain. Faldo is seeking to become the first man since Ben Hogan in 1953 to win three major titles in a season.

Among the group with Faldo was Payne Stewart, the PGA defending champion and runner-up in last month's British Open. Stewart has been the most vocal critic of Shoal Creek, but a chorus has joined him.

"You move in that locker room and you can hear some powerful bitching," said Tim Simpson, also with a 71.

Faldo's most important stroke came on the second hole, a par-four of 417 yards where he drove into the rough. He could only pitch into the fairway, with no chance to reach the green. But he holed out his next wedge shot, from 120 yards away. That was the only true noise of the day, as Shoal Creek's severe conditions muffled even the crowd.

"There were no cheers," Faldo said. That's because there was little to cheer for.

"It wasn't great," Faldo shrugged, considering his round. The course required strict attention and conservativism: if you landed in the rough, you had to grin weakly and chip it back into the fairway. Irwin and Stewart were each in the rough just 80 yards from the 17th green and had no chance of getting there, forced to chunk the ball onto smoother grass.

One of Faldo's three bogeys came at the 437-yard ninth, where he drove in the rough. The ball seemed to be sitting up, so he pulled out an eight-iron and regarded the water-surrounded green, thinking he had "half a chance" to get there. But as he addressed the ball, a tuft of grass crept up the back of the club and all sorts of disasters flashed through his mind. He backed away and settled for knocking it onto safer ground.

"I thought, I've seen that movie before," he said.

One lapse cost Verplank a share of the lead at the 17th, a par-five of 530 yards bordered by forest, and with a pond fronting the green. Verplank, a diabetic who has to snack often to keep up his strength, attributed his wild swing off the tee to fatigue as he drove his ball 50 yards right into the trees. He proceeded to take six shots to get to the green, where he saved his double bogey with a 20-foot putt.

"At first I said maybe I could make a par," Verplank recalled, "then I said maybe I could make a bogey, and then I said, all right, maybe I can make a double. I ended up making a hell of a seven."

Tim Clary/Agence France-Presse | Tim Clary/Agence France-Presse | Reuters

Only 15 golfers broke par and even fewer broke smiles on Thursday at Shoal Creek. From left, Arnold Palmer, who shot 81; Isao Aoki, with 72; Nick Faldo, 71.

Lyle's Desire: Liquid Assets

Reuters

YORK, England — If Sandy Lyle of Scotland wins the hole-in-one prize during the Murphy's Cup golf tournament at Fulford this week, he will decline the money and take 13,000 pints (22,800 liters) of beer instead.

Rather than accept 12,650 pounds sterling ($23,700) for an ace at the 175-yard (160-meter) 14th, Lyle said he would take the alternative prize of an hour's output of Ireland's Murphy brewery. Why? "Because then it would be very hard for (my manager) to take his 20 percent," said Lyle. He added that he would sell the beer in a pub he owns.

Dodgers Beat Faltering Reds

The Associated Press

Ramon Martinez won his sixth straight start by striking out 10 and leading the Los Angeles Dodgers to a 10-3 victory over the Reds in Cincinnati.

Martinez allowed six hits in eight innings Thursday to remain unbeaten since his All-Star appearance. The 15 victories tied him with New York's Frank Viola for the National League lead and achieved a goal Martinez set for himself before the season.

"I feel so proud of myself because I got my goal," said Martinez, who also raised his National League-leading strikeout total to 174. "I want to keep going like that. I don't know about 20 wins. I don't want to think about that."

The loss, Cincinnati's 13th in 17 games, cut the Reds' lead over second-place San Francisco in the National League West Division to 4½ games.

The Reds held a 53-minute closed-door meeting before the game, then went out and matched their worst first inning of the season. Kirk Gibson started the five-run rally off Jack Armstrong with a two-run homer and Martinez capped it with a run-scoring single. Eddie Murray and Alfredo Griffin also had run-scoring singles.

Each of the Dodger starters had at least one hit as they built the lead to 10-0 in the fifth — equaling the most runs allowed by the Reds this season. The Dodgers finished with 16 hits.

Expos 7, Pirates 6: In Pittsburgh, Andres Galarraga scored from second base in the 10th inning on Mike Fitzgerald's bad-hop grounder when catcher Don Slaught didn't cover home plate.

Fitzgerald bounced a grounder off the plate and was thrown out at first by Slaught. When Slaught didn't immediately return to the plate, Galarraga kept running and scored by running over Slaught, who dropped the throw for an error.

Padres 7, Braves 0: Bruce Hurst struck out seven and drove in the first run of his major league career to cap a five-run first inning in Atlanta.

Jack Clark doubled in the first run of the rally and another came in on Joe Carter's sacrifice fly. Shawn Abner added a two-run double.

Cardinals 3, Cubs 1: Ken Hill allowed four hits in eight innings in Chicago. He had a shutout until Jerome Walton's homer in the ninth.

St. Louis took a 2-0 lead in the third on Ozzie Smith's RBI double and Willie McGee's run-scoring single.

Athletics 5, Orioles 2: In an American League game in Oakland, Dave Henderson hit an RBI double in the first and a two-run homer in the sixth to pace the Athletics. It was Henderson's 19th homer this season.

Rangers 13, Indians 5: In Cleveland, Texas scored nine runs in the sixth on nine straight hits, one short of the major-league record, and Bobby Witt struck out 10 and won his eighth straight decision.

Ruben Sierra had four hits for Texas and Pete Incaviglia hit a two-run homer in the second and a two-run single in the sixth.

Tigers 5, Blue Jays 4: In Toronto, a three-run homer by Larry Sheets wiped out a two-run deficit and led an 11-hit Detroit attack.

Royals 5, White Sox 3: In Kansas City, George Brett drove in three runs, including a two-out RBI double in a three-run fourth that put the Royals up, 5-0.

Yankees 1, Mariners 0: In Seattle, Tim Leary allowed two hits in 8⅓ innings as New York beat Matt Young, who gave up three. Leary struck out eight and walked four as the Yankees won their fifth straight.

Bob Geren singled in the only run, in the second inning against Young, who struck out six and walked three in pitching his fifth complete game.

Red Sox 14, Angels 3: Ellis Burks and Mike Greenwell, with three runs batted in each, led a 17-hit Boston attack in Anaheim, California. Burks hit a two-run triple in the three-run first and Greenwell a two-run homer with two outs in the three-run third.

BASEBALL ROUNDUP

Peter Jones/Reuters

Tony Fernandez was pointedly unhappy after being hit by a pitch.

Mets Are Left Standing After Brawl With Phillies

By Joe Sexton
New York Times Service

NEW YORK — The New York Mets, as surely as a baseball team could be, were on the ropes.

Their ace had been roughed up on the mound and then punched out on the infield. Their top slugger had been rudely wrestled to the ground and then ejected from the game.

And, most important, they trailed the Philadelphia Phillies by 3-1.

But the Mets ultimately hit the ball instead of the canvas and rallied Thursday night for a 5-4 victory, one of their more emotional triumphs of the season.

The victory pulled them to within a half-game of the first-place Pirates in the National League East after Pittsburgh lost to the Montreal Expos.

In the course of a bench-clearing mini-riot in the fifth inning, the Mets lost Dwight Gooden and Darryl Strawberry. But New York landed the decisive blows in the sixth.

With the dust, if not the tempers, settled, Howard Johnson hit his 17th home run of the season (off Darrel Akerfelds) and over the fence in right field with one on and one out in the sixth to pull the Mets even at 3-3.

Tom O'Malley then singled, and Mackey Sasser doubled inside first base before Kelvin Torve drove in two runs with a long double to right-center.

Lenny Dykstra collected his fourth hit and third run batted in of the game for the Phillies to make the score 5-4. He also made John Franco's final inning of relief critical.

The melee, which could be traced to an exchange of threatening pitches in Wednesday's game, erupted in the fifth when Pat Combs's first pitch drilled Gooden in the knee.

Gooden, who hit two Phillies with pitches in the first five innings, tore off his helmet and charged toward the mound. As Gooden reached Combs, he was tackled from behind and punched repeatedly by Darren Daulton, the Philadelphia catcher.

What ensued for nearly 10 minutes were scraps and standoffs that included Joe West, an umpire, dumping Dennis Cook, a Phillies pitcher, to the infield dirt, and Strawberry, one of Gooden's closest friends on the team, becoming his defender. Strawberry, unable to get to Daulton, got pitched to the ground for his trouble.

The fighting, which broke out again and again even after peace had apparently been restored, required nearly 20 minutes to subside.

"The way it was going, I wondered if it would ever stop," the Mets manager, Bud Harrelson, said.

Strawberry, Gooden and Tim Teufel were ejected. The Phillies lost Combs, Daulton and Cook.

The first angry exchange between the teams occurred Wednesday. Don Carman, the starting Philadelphia pitcher in what became an 8-4 loss, had a pitch sail high over David Cone's head in the second inning.

The pair traded stares and later varying accounts about the intentions behind the pitch.

Steinbrenner-FBI Tie Queried

Ex-Agents Say Tampa Office Did Yankee Owner Favors

By David E. Pitt
New York Times Service

TAMPA, Florida — Drawing on a 20-year working relationship with the Federal Bureau of Investigation, George Steinbrenner often enlisted past and present agents of the bureau's Tampa office to conduct unofficial background checks of business associates as well as his own employees, former FBI investigators said.

The former agents said they were convinced, based on their knowledge of the bureau's relationship with Steinbrenner, that the FBI's personal assistance to the New York Yankees' principal owner had included searches of computerized bureau files in Washington for information on Howard Spira, an admitted gambler from New York.

The former agents spoke Thursday on condition that their names not be used but they provided the same information in separate interviews.

Steinbrenner's three-year association with Spira, from December 1986 to January 1990, and his $40,000 payment to Spira were the basis of the decision 10 days ago by Fay Vincent, the baseball commissioner, to ban Steinbrenner from involvement in the day-to-day operations of the Yankees.

Spira had offered to provide the Yankee owner with information on the charitable foundation run by Dave Winfield, a player with whom Steinbrenner had a contentious relationship.

The former agents also asserted that early this year, an agent in the FBI's Tampa office used his influence on an assistant U.S. attorney to press for an extortion indictment of Spira by a federal grand jury in Tampa. The sources said the action came at the behest of Philip A. McNiff, a former special agent in charge of the FBI office in Tampa who left in 1980 to work for Steinbrenner.

Spira was indicted in March, and the case was moved to New York. Spira is awaiting trial.

Also last week John Dowd, who headed baseball's investigation of Steinbrenner, said that the assistant U.S. attorney, Gregory Kehoe, had asked him to delay the inquiry because it might turn up information helpful to Spira.

The special agent who took charge of the FBI's Tampa office in January, Allen H. McCreight, said he knew of no evidence to support any of the allegations by "these former agents firing from behind cover."

All of the former agents said that while the bureau's association with Steinbrenner and what they said was its assistance to him seemed to go against the FBI's standards of conduct, they did not believe that any laws had been violated.

Mike Kortan, an FBI spokesman in Washington, said that use of the National Crime Information Center's computer for other than law enforcement purposes was a misdemeanor under federal law. Kortan said that the allegations, which came to the FBI's attention when they appeared in Sports Illustrated and The National sports newspaper this week, were referred to the internal review unit.

McCreight denounced as "ridiculous" the suggestion that an agent in the bureau, identified by the retired agents as "a McNiff protege" might have acted to influence the Spira case.

McCreight also denied that the Tampa bureau had ever "conducted background checks on the sly or anything of that nature."

"Contacts with Mr. Steinbrenner by personnel of the Tampa office are very infrequent and limited to liaison contacts based on his position as a prominent figure in Tampa's business community, his civic involvement in committees and organizations and his continuing spport of effective law enforcement at all levels," McCreight said later in a four-page written statement.

McCreight acknowledged that agents had been invited by McNiff, "on an infrequent number of occasions," to use Steinbrenner's box at Tampa Stadium, but said such invitations were accepted as part of "longstanding FBI policy to maintain effective liaison with business leaders in the community."

Telephone messages left for McNiff were not returned. Steinbrenner also did not return telephone calls.

The former agents, all retired, said they had first-hand knowledge of the incidents involving Steinbrenner, and said they had decided to speak out because they believed Steinbrenner had harmed the reputation of the FBI.

They described the background checks as part of a pattern of personal favors to Steinbrenner by the FBI's Tampa office, including an episode in which, they said, he got special help in applying for a presidential pardon in 1979.

Steinbrenner reciprocated, they said, with gestures of friendship, including use of his box at Tampa Bay Buccaneer football games, special rates for FBI functions at his Radisson Bay Harbor Inn, cocktail parties and the intimation that agents who were especially helpful might be offered six-figure jobs in Steinbrenner's organization.

Three former agents were given such jobs, including John Lawn, a former Drug Enforcement Administration chief.

Most of the personal attention given Steinbrenner by the FBI since the 1970s, they said, was orchestrated by McNiff, first during his three-year tenure as special agent in charge in Tampa beginning in 1977, then in his role as an aide to Steinbrenner, who designated him a vice president of American Ship Building Co. here.

As part of his ruling last month, Vincent barred McNiff from performing any services for or maintaining contact with the Yankees.

Two of the former agents said that during his tenure with the Tampa office McNiff would often call on another agent, Martin Egan, to help when Steinbrenner needed a background check.

"Steinbrenner would phone up and say, 'Call Egan, call McNiff, give them this guy's name and have them check him out,'" one of the former agents said.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	60	50	.545	—
Toronto	59	53	.527	2
Baltimore	54	56	.491	6
Detroit	53	60	.469	8½
Cleveland	51	60	.459	9½
Milwaukee	47	62	.431	12½
New York	46	64	.418	14
West Division				
Oakland	70	42	.625	—
Chicago	64	44	.593	4
Texas	58	53	.523	11½
Seattle	57	55	.509	13
California	53	59	.473	17
Kansas City	52	58	.473	17
Minnesota	52	60	.464	18

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	64	45	.587	—
New York	63	45	.583	½
Montreal	57	54	.514	8
Chicago	53	58	.477	12
Philadelphia	52	57	.477	12
St. Louis	51	61	.455	14½
West Division				
Cincinnati	63	46	.578	—
San Francisco	59	51	.536	4½
Los Angeles	56	52	.514	7
San Diego	51	59	.464	12½
Houston	49	62	.441	15
Atlanta	41	68	.376	22

Thursday's Line Scores

AMERICAN LEAGUE

Baltimore	000 010 000—2	8 2
Oakland	210 002 00x—5	5 1

D. Johnson, Price (7), Schilling (7) and Melvin, Moore, Burns (6), Klink (7), Nelson (8), Echersley (9) and Steinbach. W— Moore, 10-10. L—D. Johnson, 11-7. Sv— Echersley (37). HR—Oakland, D. Henderson (19).

Detroit	000 013 100—5	11 1
Toronto	201 000 010—4	7 0

J.M. Robinson, Gleaton (8) and Salas; T. Stottlemyre, Candelaria (6), Acker (9) and Myers. W—J.M. Robinson, 9-9. L— T. Stottlemyre, 10-13. Sv—Gleaton (6).

Texas	020 109 001—13	21 2
Cleveland	000 003 020—5	7 1

B. Witt, Jo. Barfield (8), Arnsberg (9) and Stanley; Black, Olin (6), Orosco (6) and Alomar, Skinner (7). W—B. Witt, 11-8. L—Black, 10-7. HR—Texas, Incaviglia (18).

Chicago	000 000 300—3	10 0
Kansas City	101 200 00x—5	14 0

Petersen, Patterson (7) and Fisk; Appier, Farr (7) and Macfarlane. W—Appier, 7-4. L— Petersen, 2-4. Sv—Farr (1).

New York	010 000 000—1	2 0
Seattle	000 000 000—0	2 0

Leary, Guetterman (9) and Geren; M. Young and S. Bradley. W—Leary, 6-14. L—M. Young, 5-12. Sv—Guetterman (1).

Boston	303 000 150—14	17 0
California	000 000 201—	3 13 1

Clemens, Hesketh and Pena; Manzano (8); Abbott, Ekshorn (7), Cl. Young (8) and Parrish. W—Clemens, 16-5. L—Abbott, 7-10. HR— Greenwell (6).

NATIONAL LEAGUE

St. Louis	002 001 000—3	11 1
Chicago	000 000 001—1	5 0

Hill, L. Smith (9) and Pagnozzi; Dickson, Pico (7), Lancaster (9) and Girardi. W—Hill, 3-1. L—Dickson, 0-1. Sv—L. Smith (28). HR— Chicago, Walton (1).

Los Angeles	510 310 000—10	16 2
Cincinnati	000 020 010—	2 6 1

R. Martinez, J. Howell (9) and Scioscia; Armstrong, Mahler (1), Levana (6), Dibble (9) and Oliver. W—R. Martinez, 15-4. L—Armstrong, 11-8. HRs—Los Angeles, Gibson (7), Daniels (16).

San Diego	500 000 002—7	11 1
Atlanta	000 000 000—0	6 2

Hurst and Parent; Leibrandt, Luecken (6), Castillo (8) and Olson. W—Hurst, 7-8. L—Leibrandt, 4-6.

Philadelphia	001 200 010—4	16 2
New York	010 004 00x—5	8 0

Combs, Akerfelds (5), Bowyer (9) and Daulton. Nieto (5): Gooden, Oledo (6), Penn (7), Franco (8) and Sasser. W— Oledo, 6-5. L— Akerfelds, 4-1. Sv—Franco (25). HR—New York, H. Johnson (17).

Montreal	000 050 001 1—7	10 0
Pittsburgh	002 200 020 0—4	11 3

(10 innings)

Ke. Gross, Rojas (4), Ruskin (8), Burke (8), Frey (9), Sampen (10) and Fitzgerald; Heaton, Belinda (7), Landrum (9) and LaValliere, Stanetti (9). W—Frey, 5-1. L—Landrum, 4-3. Sv—Sampen (2). HR— Pittsburgh, Bonds (21).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	59	33	0	.641	—
Tokyo	44	43	2	.506	12½
Chunichi	46	46	1	.500	13
Hiroshima	43	43	1	.500	13
Yakult	39	49	0	.443	18
Hanshin	38	55	0	.409	21½

Pacific League

	W	L	T	Pct.	GB
Seibu	54	27	4	.659	—
Orix	47	37	3	.558	8½
Nippon Ham	45	40	1	.529	11
Kintetsu	45	42	1	.517	12
Lotte	31	47	2	.400	21½
Daiei	27	56	3	.331	28

Friday's Results

Hiroshima 9, Hanshin 8
Lotte 5, Kintetsu 2

World Championships

Amateur Baseball, in Edmonton, Alberta
First Round

POOL A

	W	L	Pct.	GB
x-Cuba	5	0	1.000	—
x-Nicaragua	3	2	.600	2
x-Japan	3	2	.600	2
x-South Korea	2	3	.400	3
y-Italy	1	4	.200	4
y-Mexico	1	4	.200	4

POOL B

	W	L	Pct.	GB
x-Puerto Rico	5	0	1.000	—
x-United States	4	1	.800	1
x-Taiwan	3	2	.600	2
x-Canada	2	3	.400	3
y-Netherlands	1	4	.200	4
y-Venezuela	0	5	.000	5

x-Qualifies for championship second round
y-Qualifies for consolation round

Thursday's Results

Taiwan 4, Netherlands 1
Mexico 6, Italy 5
Puerto Rico 9, Venezuela 1
Cuba 8, Japan 2
United States 22, Canada 3, 7 Innings

GOLF

PGA Championship

Scores Thursday after the first round, being played on the 7,145-yard, par 72 (36-36) Shoal Creek Golf Club course in Birmingham, Alabama:

Bobby Wadkins	37-31—68
Fred Couples	34-35—69
Mark O'Meara	32-37—69
Billy Mayfair	35-35—70
Scott Verplank	32-38—70
Robert Gamez	36-35—71
Mike Hulbert	36-35—71
Steve Pate	35-36—71
Nick Faldo	36-35—71
Payne Stewart	36-35—71
Brian Tennyson	35-36—71
Mike Reid	36-35—71
Chip Beck	35-36—71
Tim Simpson	36-35—71
Stan Utley	36-35—71
Cary Hungate	34-38—72
Larry Mize	37-35—72
Raymond Floyd	38-34—72
Bob Tway	36-36—72
Isao Aoki	36-36—72
Lennie Nielsen	36-36—72
Wayne Grady	36-36—72
Hal Sutton	35-37—72
Bill Britton	37-35—72
Mark Lye	35-37—72
Fuzzy Zoeller	36-36—72
Davis Love III	36-36—72
John Huston	37-35—72
Jose Maria Olazabal	36-37—73
J. C. Blair III	38-35—73
Dave Rummells	33-40—73
Bob Glider	35-38—73
Jerry Pate	37-36—73
Kenny Perry	38-35—73
Mark McCumber	35-38—73
Morris Hatalsky	39-34—73
Corey Pavin	37-36—73
Rick Osborn	37-36—73
Ray Stewart	36-37—73
Loren Roberts	35-38—73
Robert Hoyt	36-38—74
Mark Wiebe	37-37—74
Peter Senior	36-38—74
Craig Parry	36-38—74
Kirk Triplett	38-36—74
Jeff Sluman	36-38—74
Benny Possons	36-38—74
Peter Jacobsen	37-37—74
Ian Baker-Finch	38-36—74
Ian Woosnam	38-36—74
Ben Crenshaw	39-35—74
Russ Cochran	39-35—74
Mark McNulty	38-36—74
Steve Jones	38-36—74
Hubert Green	35-39—74
Lanny Wadkins	38-36—74
Tom Purtzer	39-35—74
Bob Boyd	37-37—74
Tom Watson	37-37—74
Craig Stadler	37-38—75
Don Pooley	37-38—75
Mike Sullivan	35-40—75
Blaine McCallister	38-37—75
Billy Andrade	36-39—75
Billy Ray Brown	37-38—75
David Graham	37-38—75
Steve Elkington	36-39—75
Jay Delsing	37-38—75
Bernhard Langer	38-37—75
Sammy Rachels	39-36—75
Stu Ingraham	37-38—75
Greg Cerulli	36-39—75
Bob Ford	37-38—75
Nick Price	38-37—75
Chris Perry	39-36—75
John Mahaffey	39-36—75
Gene Sauers	37-38—75
Ed Fiori	38-37—75
Andrew Magee	38-37—75
Don Forsman	38-38—76
Chris Tucker	39-37—76
Jim Sobb	39-37—76
Mike Donald	38-38—76
Scott Simpson	37-39—76
David Frost	39-37—76
Paul Azinger	38-38—76
Kirk Hanefeld	37-39—76
Dana Quigley	37-39—76
Mark Calcavecchia	37-39—76
Greg Norman	36-37—73
Hale Irwin	35-38—73
Jay Don Blake	36-38—74
David Peoples	37-37—74
Ken Schall	36-38—74
Jeff Thomsen	36-38—74
Jay Overton	38-36—74
Larry Nelson	36-38—74
Curt Schnell	36-38—74
Jim Thorpe	37-37—74
Rick Fehr	38-36—74
Bob Estes	38-36—74
Lee Trevino	39-35—74
Gil Morgan	39-35—74
Seve Ballesteros	38-36—74
Dennie Hammond	38-36—74
Joe Ozaki	35-39—74
Mark James	38-36—74
Bruce Fleisher	39-35—74
Ted Schulz	37-37—74
Bruce Lietzke	37-37—74
Bob Lohr	37-38—75
Jack Nicklaus	37-38—75
Mark Brooks	35-40—75
Tommy Armour III	38-37—75
Scott Hoch	36-39—75
Pat Fitzsimons	37-38—75
Kent Stauffer	37-38—75
Ray Freeman	36-39—75
Curtis Strange	37-38—75
Tom Kite	37-38—75
Drue Johnson	38-37—75
Larry Emery	38-37—75
Brad Bryant	39-36—75
Kim Thomason	37-38—75
Dave Stockton	36-39—75
Bill Sander	37-38—75
Brad Faxon	38-37—75
Bob Borowicz	39-36—75
Arnold Palmer	39-36—75
Ronan Rafferty	37-38—75
Rodger Davis	38-37—75
Ken Allard	38-37—75
Mike Sanfilippo	38-38—76
Steve Bowen	39-37—76
Phillip Hancock	39-37—76
Bob Makoski	38-38—76
David Ishii	37-39—76
Dale Fuller	36-40—76
Hunt Gilliland	39-37—76
Jim Gallagher, Jr.	40-36—76
Jay Haas	39-38—77
Larry Gilbert	38-39—77
Andy Bean	37-40—77
Chris Dachisen	39-38—77
Noel Caruso	35-42—77
Ed Whitman	39-38—77
Eduardo Romero	37-40—77
Mike Gove	39-38—77
Ted Gein	40-37—77
Bill Glasson	37-40—77
Ken Green	37-40—77
	38-39—77
	41-36—77
	37-40—77
	38-39—77
	37-40—77
	39-38—77
	37-40—77
	40-38—78
	41-37—78
	41-37—78
	39-39—78
	40-38—78
	38-40—78
	38-40—78
	39-39—78
	39-39—78
	39-39—78
	38-41—79
	38-41—79
	38-41—79
	37-42—79
	40-39—79
	40-40—80
	39-41—80
	39-41—80
	40-40—80
	40-40—80
	40-41—81
	38-43—81
	43-38—81
	42-39—81
	41-40—81
	43-38—81
	39-42—81
	39-43—82
	43-39—82
	45-37—82
	40-42—82
	39-43—82
	43-39—82
	40-42—82
	41-42—83
	40-44—84
	42-42—84
	40-44—84
	39-45—84
	43-41—84
	40-46—86
	41-46—87
	41-Withdrew
	DQ

BASKETBALL

World Championships

In Argentina

Pool A

	W	L	Pts
Puerto Rico	2	0	4
Yugoslavia	2	0	4
Angola	0	2	0
Venezuela	0	2	0

Pool B

	W	L	Pts
Brazil	2	0	4
Australia	1	1	2
Italy	1	1	2
China	0	2	0

Pool C

	W	L	Pts
United States	2	0	4
Greece	1	1	2
Spain	1	1	2
South Korea	0	2	0

Pool D

	W	L	Pts
Soviet Union	2	0	4
Argentina	1	1	2
Canada	1	1	2
Egypt	0	2	0

Top two in each pool advance to quarterfinals

First Round — Round-Robin
Thursday's Results

At Santa Fe

Puerto Rico 88, Venezuela 74
Yugoslavia 92, Angola 79

At Rosario

Italy 94, Australia 89
Brazil 138, China 95

At Villa Ballester

United States 146, South Korea 67
Greece 102, Spain 93

At Cordoba

Argentina 96, Canada 88
Soviet Union 102, Egypt 76

TRANSACTIONS

BASEBALL
American League

CALIFORNIA—Activated Chili Davis, outfielder, from the 15-day disabled list. Optioned Joe Grahe, pitcher, to Edmonton, Pacific Coast League.

CLEVELAND—Put Keith Hernandez, first baseman, on the 15-day disabled list.

SEATTLE—Put Tracy Jones, left fielder, on the 21-day disabled list. Bought contract of Vance Lovelace, pitcher, from Calgary, Pacific Coast League.

TEXAS—Activated Jose Guzman, pitcher, from the 21-day disabled list and optioned him to Oklahoma City, American Association.

TORONTO—Activated Junior Felix, outfielder, from the 21-day disabled list. Optioned Willie Blair, pitcher, to Syracuse, International League.

National League

PHILADELPHIA—Claimed Tommy Greene, pitcher, off waivers from the Atlanta Braves, and sent Jim Vatcher, outfielder, to Atlanta as part of the Dale Murphy trade.

PITTSBURGH—Put Bob Walk, pitcher, on the 21-day disabled list. Recalled Randy Kramer, pitcher, from Buffalo, American Association.

FOOTBALL
National Football League

BUFFALO—Signed Brian Holloway, offensive lineman.

COLLEGE

INDIANA, PENNSYLVAIA—Named Tom Reglish associate head football coach.

PEPPERDINE—Said that Nikki Brodney and Barbara Tanner, forwards, will transfer to play basketball for the 1991-92 season.

CRICKET

England vs. India
Test 2, Day 1, Thursday
1st Innings: England 519 (all out).

DAVE BARRY

As the Worm Turns

MIAMI — Our topic today, in "The Sportsperson's Corner," is: Fishing Tips. Call me a masculine stud hombre if you wish, but fishing is in my bloodstream. This was also true of Ernest Hemingway, who wrote the masterpiece fishing novel "The Old Man and the Sea," later released as the major motion picture "Jaws." It's the gripping story of an old man in a tiny boat who hooks a giant fish and fights it for days on the open ocean, surrounded by increasing literary tension, until finally, in an unforgettable ending, something happens that unfortunately I am not aware of because I never finished the book. I read it in high school, when my literary strategy was to read exactly enough to write a book report. Using standard high-school book-report style, I could sometimes write a 500-word report after reading ONLY THE TITLE:

"'The Old Man and the Sea' is a short novel weighing less than two pounds written by the author, Ernest Hemingway. It concerns an old man who becomes involved with the sea (or, as it is sometimes called, "the ocean"). As the book ("The Old Man and the Sea") unfolds, the author, Ernest Hemingway, writes about these two major themes — 1) the old man, and 2) the sea — and the things that happen to both the main character, which is the old man, and a major body of water, played by the sea, as viewed by the author, Ernest Hemingway, and as we reach the 106-word mark in this book report we can see that . . ."

□

Book reports are excellent training for journalism, the essence of which is writing authoritative stories about things you don't actually understand. I can remember, as a young reporter, writing disapproving analyses of international banking practices at a time when my personal investment portfolio consisted of discount pizza coupons.

But that is not my point. My point is that rugged outdoorspersons such as Ernest Hemingway and myself are crazy for fishing. Although I frankly have never been fond of bait. I still vividly recall a Bait Encounter I had at Stephen Heyman's 12th birthday party, when his father took a bunch of us boys deep-sea fishing. We got out on the sea, many miles from safety, and Mr. Heyman opened a cardboard box, and out came: giant mutated worms. I have always been fond of regular worms, because they're small and harmless in the sense of having no appendages or mouths, plus they are very slow.

But the worms that emerged from Mr. Heyman's box were more the size of adolescent snakes, plus they had somehow developed LEGS. So we boys were backing away, thinking about leaping overboard, when Mr. Heyman picked up one of the worms WITH HIS NAKED FINGERS and put it on a hook. Of course this infuriated the worm, not to mention the onlooker worms, who were clearly thinking: "O.K., if we can develop legs, there's no reason why we can't develop HIGHLY TOXIC STINGERS and . . ."

□

So I spent the afternoon at the front (or "nonworm") end of the boat, admiring the ever-changing beauty of the sea and idly throwing up into it. At the other end, Mr. Heyman continued to wrestle with the worm and eventually used it to capture a flounder, which — although nobody realized this at the time — is an extremely dangerous fish in the sense that it will sometimes explode. I know this because alert readers mailed me a recent newspaper article concerning a woman in Wellington, New Zealand, who was preparing a flounder for dinner when — this is a direct quote — "It blew up."

I would like to dismiss this as an isolated incident, but I also happen to know a famous minor radio personality named (really) Jimmy Music, who does a fishing show in the Florida Keys and who informs me that sharks also sometimes explode. Jimmy states that sharks can contain "an incredible amount of stomach gas" and will sometimes burst upon capture, causing anglers to become drenched with stomach contents. I'm sure this raises some troubling questions in your mind, including:

1. Why do we call them "anglers"?

2. Wouldn't "Shark Puke" be a good name for a rock band?

3. How about "Jimmy Music and the Stomach Contents"?

I don't know about the rest of you sportspersons, but until I get some solid answers to these questions, I do not intend to angle or become otherwise involved with any fish that is not in the form of a frozen stick.

Knight-Ridder Newspapers

August in Paris: Let Bygones Be Bygones

By Alan Furst

International Herald Tribune

"August in Paris,
Who can I run to?
What have you done to
My butcher?"

—(With apologies to E. Y. Harburg, Count Basie et al.)

Nicolas Aetin

Made him disappear, is what. And his escalope de veau along with him. Pâté and cold artichokes from the traiteur — gone. On these hot summer nights, why not try a light summer salad? Because the salad people have closed up shop. Ditto the pâtisserie. Lost souls wander the streets, empty net bags in hand. The shopping street of the Rue Saint-Antoine quarter is silent and deserted, shut down for the traditional French vacation month of August.

But not quite. There are certain stores that remain open. But who are these people, standing patient and cold-eyed in their smocks? Their thoughts are only too evident: *Passed me by all these months, have you? Day after day and never bought a morsel. Now you regular shop is closed, isn't it? Come in here, my pretty one, I'll sell you a chop you won't soon forget!* (Crazed laughter.)

PARISIANS are proud of two things: living in Paris and leaving it. Sometimes it seems they live in it *in order* to leave it. They are forever going skiing, going to their country place, going to Mauritania, going hunting, fishing, paragliding or going to the house of their Tante Marie for the wedding of their sister's husband's cousin. But above all things: Going.

Then, coming back to Paris, their conversation is divided into two topics: 1) Where I went and what I did there and what a good time I had, or 2) Where I'm going next. They don't, God bless 'em, like to talk business outside the office, and as a rule they do not splash their private lives on acquaintances. They prefer to talk about pleasant things — vacations past and future work just fine. It is the perfect conversational medium, infinitely flexible: the magnificent lunch or the bill that arrived afterward; the lovely forest that surrounded the vacation house or the Three Stooges who came to fix the sink. One can be rhapsodic, outraged, ironic or sadder-but-wiser — for the French, the greater the dramatic range, the better they like it.

But. In order to have the anecdotes, you must actually go somewhere, that's the kicker. Now if you're extremely rich, you can go in October or May. If you're extremely chic, you might lately go in July and use the sleepy Parisian days of late summer to get things done. But most French institutions go to war in the autumn, and, by general agreement, both public and private sectors declare a truce in August.

So that's when most of them go, a migrating herd. They pile into cars that sit in traffic jams, planes that don't take off, high-speed trains blockaded by angry shepherds. But, of course, eventually they do arrive; sweaty, furious and quivering, on vacation at last. Now everything's going to be perfect. While Paris swelters, they settle down in Provence or on the Côte D'Azur, where it's several degrees hotter. "Ahh," they say.

VILLAGE life, it's wonderful. That shrieking fight echoing off the stone walls is a *country* squabble, far superior to the couple who duel nightly in the apartment across the Paris courtyard. No bleating car alarms here, only the six village cats who take half the night to get it worked out. And that twisty little road is the very place to show off the bravado acquired by daily bullrushing through the destruction derby around the Etoile traffic circle. Ninety miles an hour around a curve, coming up on a peasant and his haycart — now that's *driving*. The traffic jams on the Périphérique have been left behind, now one is crawling a mile an hour on the road into Nice. Who are all these people? Where do they come from? A mystery.

Meanwhile, back in Paris, it's deserted. The dry cleaner is closed! You'll not see your summer suit again until the fall. Perhaps it's gone on vacation while you stayed home, returned to you with pockets full of ticket stubs and café chits. The streets are empty, the nights breathless and hot, pointless suffering unless you're writing a novel about hot, breathless nights. Nobody's in Paris. Well, not exactly nobody. In the morning and evening rush hours, the Périphérique is still, in the words of the traffic report on Radio France, "unspeakable."

What?

If they're all in the south, jamming up the streets of Nice, who are *these* people? They are not foreigners — they have the Paris-area license plates, the chilling and ruthless gaze of the Parisian motorist, and the inimitable — WATCH IT! — style. This is a mystery that cannot be solved.

Here's another: the French aren't all rich. Here it's like everywhere else; the land of a thousand bills. Yet everybody, bosses and secretaries, truck drivers and mail carriers, teachers and sculptors, goes away. How do they do this? Not everybody rents the expensive little villa with the little pool. Almost all Parisians have roots elsewhere in France. There are Normans, for example, currently living in Paris, but only for the last 300 years. So they go and stay with grandmother or Uncle Pierre. Still, on warm August nights in the little villages, the tables Chez Louis are well and truly filled. All over France, the escalope that disappeared from Rue Saint-Antoine has turned up on vacation. So how do they pay for it? Ask a Parisian. You'll get a whole opera of body language — subtle flicks of the wrist, eyebrows twitched, the shadow of a Mona Lisa smile — but no words. You've been told.

EVENTUALLY, as a single brown leaf drifts onto the cobblestones, La Rentrée. A grand expression: The Reentry. The lemmings are climbing back up the cliff. When is it? Why Sept. 1. Er, make that Sept. 15. "Oct. 3," some say. Nobody knows! No, wrong again. Everybody knows. La Rentrée is an event that occurs the day that you arrive back in Paris. And only then can the city return to its normal, hectic pace. Now the vacation stories will be told; antiques shown off, suntans admired, but poor Jean-Paul is on crutches. Still, in the beat of it all, a tiny subtext. Nov. 1 is coming, a holiday. Now since it falls this year on a Thursday, and if one left work just exactly at 6, it is just barely possible, if all connections are made . . .

PEOPLE

Brando Defends Son As Bail Is Reduced

Bail for **Christian Brando**, who was jailed in California on a murder charge, was reduced to $2 million and a defense lawyer said actor **Marlon Brando** would pay for his son's freedom. **Judge David Perez** ruled that the 32-year-old Brando's original bail of $10 million was excessive. At the hearing, Marlon Brando presented Christian Brando's passport. Surrendering the passport was a condition of release. The younger Brando pleaded innocent this week to murdering Dag Drolett, his half-sister's lover, during a May 16 argument at the Brando family compound in the Santa Monica Mountains. His 66-year-old father stood on the courthouse lawn and spoke with reporters for an hour, accusing "the sleaze bags" of TV news and "the carrion press" of turning the case into "a circus." "My son is not a mad dog killer," he said.

□

Actors' Equity announced that in response to petitions signed by more than 150 of its members, it would re-evaluate its decision not to let the English actor **Jonathan Pryce** re-create his portrayal of a Eurasian in a Broadway version of the hit London musical "Miss Saigon." The decision led the show's producer, **Cameron Mackintosh**, to announce that he was canceling the Broadway production. "If there was a complete about-face by Equity, I would be happy to discuss the situation," said Mackintosh.

□

Kitty Dukakis says she wouldn't have lasted long in the White House because of her addictions. "I am certain the first crisis would have sent me out of control," she says in her book, "Now You Know," which is excerpted in Good Housekeeping. Dukakis says she panicked after the 1988 New Hampshire primary because she realized her husband, Massachusetts Governor **Michael Dukakis**, had a shot at being president. "On a typical day, I would go to the liquor cabinet in the dining room, measure out three or four ounces of straight spirits, and drink it down. Then I'd go upstairs, shut the blinds, unplug the phone, and read until I passed out — a process that usually took no more than 10 minutes. Two and a half hours later, I would wake up and repeat the process."

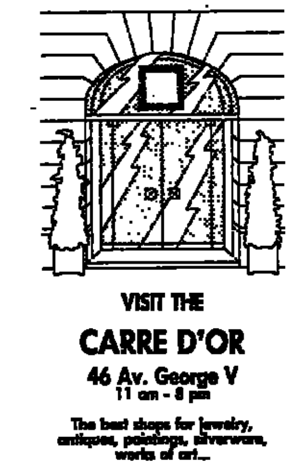
INTERNATIONAL CLASSIFIED

PERSONALS

WHO REMEMBERS THE ENGLISH BOOK-SHOP and GALLERY ? - 42, rue de Seine, from 1949 - 1965 ? Please write to : Box 1761, I.H.T., 92521 Neuilly Cedex, France.

COLLECTORS ARCADE

WHEN IN PARIS



VISIT THE
CARRE D'OR
46 Av. George V
11 am - 8 pm
The best shops for jewelry, antiques, paintings, silverware, works of art...

MAIL ORDER

PARTY CANDY. Outrageous, uniquely designed. Over 60 choices. Catalog $3 applied to initial order. HUHI P.O. Box 5427, Concord, CA 94524 USA.

FRIENDSHIP

EURO POWER
The Private Institute with TOP CLASS Members for International Marriages & Relationships, introduces:

● European Cosmopolitan Gentleman, living in N. America, 50 yrs, 1.82/85, dark blond. Attractive, dignified, B.Sc. University degree USA & France. Owner/entrepreneur of large company, sensitive, distinctive, multilingual, 'Down to Earth Man'. Wishes to marry European Lady, attractive, educated, serious, sensitive. Age 35 - 45 years. Introduction: tel. — 31 20437358, fax. +31 20479943. Your letters. W. Brugmalen 66, 1188 HB Amstelveen, Holland.

For International Rendez-Vous on August 24-27th, we meet YOU at the Hilton Geneva. Tel: +41 227319611, Hallo & George Angelides.

ASIAN LADIES LOOKING FOR friendship view marriage. Details from: ICE BREAKERS, 545 Orchard Rd. 13-03 Far East Shopping Centre, Singapore 0923. Tel: 732 6745/733 4698 Fax: 235 3780 Tel: Malaysia 03-248 8237

EXCLUSIVE SINGLES CLUB in GENEVA for select and serious introductions. Tel: 022/738 30 50

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.

THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884
In New York, call (212) 752-3890
or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

FEELING low? — having problems? SOS HELP crisis-line in English. 3 p.m.-11 p.m. Tel: Paris 47 23 80 80.

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0320.

MOVING

Move Plus
THE INTERNATIONAL MOVERS
Head Office: World Trade Center Rotterdam. Tel. 31 (10) 405 2090
MOVE Plus - FRANCE Desbordes (33) 1- 43.43.23.64
MOVE Plus - NORWAY Moortrans (47) 2- 507070
MOVE Plus - ENGLAND Amertrans (44) 1- 953 3636
MOVE Plus - HOLLAND Nijman (31) 10- 437 2255
MOVE Plus - GERMANY IMS (49) 06172- 4831
MOVE Plus - BELGIUM Ziegler (32) 2- 4222236
MOVE Plus - DENMARK Adams (45) 31- 787400
MOVE Plus - SWEDEN Kungsholms (46) 753- 89400
Gil Stauffer (34) 1- 275 9844
MOVE Plus - SWITZERLAND Geneva: Harsch (41) 22- 436885 Zurich: Welti-Furrer (41) 1- 272 1211
THE ADDED VALUE IN MOVING

MOVING

1992 - NOW !
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL

AMSTERDAM	31 (71)	89 93 24
ATHENS	30 (1)	961 12 12
BARCELONA	34 (3)	652 31 11
BERLIN	49 (30)	8154061
BONN	49 (2241)	6 60 62
BREMEN	49 (421)	17 05 91
BRUSSELS	32 (2)	720 95 63
CADIZ	34 (56)	85 67 44
COTE D'AZUR	33	93742121
FRANKFURT	49 (6190)	20 01
GENEVA	41 (22)	43 85 30
LONDON	44 (81)	961 41 41
MADRID	34 (1)	671 24 50
MANCHESTER	44 (61)	707 20 16
MILAN	39 (2)	662 00469
MOSCOW	7 (95)	938 20 80
MUNICH	49 (89)	141 50 36
NAPLES	39 (81)	780 16 22
PARIS	33 (1)	39 56 90 00
ROME	39 (6)	554 001
VICENZA	39 (444)	58 00 33
VIENNA	43 (222)	865 4706
WASHINGTON	1 (703)	759 4801
ZURICH	41 (1)	945 04 00

ONE NAME, ONE COMPANY

HOMESHIP. Small & medium moves, baggage, cars worldwide. Call Charlie: Paris 42 81 18 81 (near Opera).

BUSINESS OPPORTUNITIES

LIVE IN SWITZERLAND
We show you how. Inquiries confidential. SAMI Financial S.A., rue Etraz 10, 1003 Lausanne, Switzerland.

ONE OF THE BEST European mineral waters is available for export Now. Enquiries: HYDROGEO, 68 Piotrkowska Str. 54-060 Wroclaw, Poland. Tlx: 712640 or 712791

JUST PUBLISHED -1990 TURKISH BUSINESS GUIDE FAX DIRECTORY Fax for information: (901) 149 76 81.

2ND TRAVEL DOCUMENTS. ID-drive licences-any country. GM, 26 Klementu Athens 106-75 Greece. Fax 7219080

BUSINESS SERVICES

BUSINESS IN PARIS? Prestigious castle near Charles de Gaulle Airport invites int'l business executives to apply for membership. Fully equipped deluxe business, living and leisure facilities. Golf, squash, tennis, pool etc. For information fax Paris + 331 - 48921946

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 071-499-9192. Tx 262690.

OFFICES FOR RENT

BUDAPEST OFFICE SPACE next to Intercont. Contact Murach 644740 or Budapest 1370360.

REAL ESTATE FOR SALE

FRENCH PROVINCES

FRENCH RIVIERA, THEOULE/CANNES Villa in small village, 230 sq.m. on 3 levels, fireplace, 50 sq.m. living, new fitted kitchen, 3 bedrooms/2 baths. 60 m. from beach, sea view. FF2,100,000. Owner: 93 42 34 93. Fax 93 42 25 69.

GREAT BRITAIN

LONDON WEST KENSINGTON W14 Masbro Road, spacious family house in superb condition. Double reception, 4 bed, 2 bath, spacious basement, patio garden, terrace. Freehold exceptional at £275,000. Tel (071) 602 9134.

HOLLAND

NEXT TO SOESTDIJK PALACE, nearby Amsterdam, luxury furnished split-level apartment in exclusive park £175,000. Tel: 31 70 3658610.

ITALY

TUSCANY-NEAR UMBRIA
Lovely restored historic country house, spectacular hilltop site 1 hour from Florence, Assisi, Siena. Convenient to major highways, fully equipped (including heat, telephone). 6 bedrooms, 3 baths, 2 kitchens. Can be used as 2 separate flats. US $350,000 (lire 430 million) or best offer. (owner)Italy: 575 723009 or USA: 203-429-8722 or FAX: 202-293-1423.

REAL ESTATE FOR SALE

MONACO

PRINCIPALITY OF MONACO
FOR THE SALE, PURCHASE, RENTAL MANAGEMENT or INSURANCE of REAL ESTATE PROPERTY contact:
AGEDI
26 bis, Bd Princesse Charlotte MC 98000 MONACO
Tel: (33)93.50.66.00 - Telex 479 417 MC Fax: (33) 93 50 19 42
Residential ■ Commercial

SWITZERLAND

LAKE GENEVA
In France, 30 min from GENEVA before Thonon, luxurious
waterfront properties
from studio to 4 bedrooms & villas From FF600,000 to FF4,500,000
REVAC S.A.
52, Montbrillant, CH-1211 GENEVA 20 Tel 4122-734 15 40 Fax 4122-734 12 20

USA RESIDENTIAL

HAMPTONS - LONG ISLAND
Romantic 2 acre beach front property nestled in nature preserves which protect views and privacy forever. Located on private sandy beach on Peconic Bay 4 miles west of Sag Harbor and minutes from Southampton and East Hampton. Panoramic views also include beach, bay and nearly 100 acres of additional nature preserve. A spectacular 5,600 sq. ft. contemporary house under construction has 5 bedrooms, 6½ bathrooms, living room, library, dining room, gourmet kitchen, breakfast room, 2,400 sq. ft. deck, 20 ft. x 40 ft. heated pool, pool house with full kitchen & sauna. Owners relocating. Interior designed to be customized and completed in 3 months. Can be purchased as is for $1.5 million. Contact owner: (516) 537-2345 USA.

NEW YORK CITY
Beautifully renovated 3,400 sq. ft. 10-room co-op in historic Pre-war building. Prime Manhattan location on East 72nd Street. 32 ft. living room, 22 ft. dining room, library, 4 fireplaces, 3 sun-flooded master bedrooms, 4½ baths, gourmet eat-in kitchen, pantry, laundry room and double-sized servant's room. Charming quiet home in move-in condition. Owners re-locating. $2,475,000. Contact owner- (212) 439-1717 USA.

FLORIDA'S BEST, Boca Raton, house on BROKEN SOUND golf course, 250 sq.m., 3 beds. and baths, landscaped, pool, golf membership. F3,000,000. France: (33) 32 59 43 32.

MANHATTAN-FOR BEST AVAILABLE opportunity in luxury apartments contact: Manhattan Capital Corp., 767 Fifth Ave., NYC, NY 10153 USA. Tel: 212-980-8210. Fax: 212-319-5756.

SECLUDED HIDE-OUT! 1½ hr. LAX, CA. Lake front, mountain top, above smog. Gated. 6 bedroom, 6 bath, furnished. $1M. Owner tel. (805) 687-8732 USA.

REAL ESTATE TO RENT/SHARE

FRENCH PROVINCES

OVERLOOKING CAP FERRAT BETWEEN NICE AND MONTE CARLO
Luxurious villa with pool, sleeps 16, available by the month or for longer lets
BEAULIEU IMMOBILIER
Port de plaisance 06310 BEAULIEU S/MER
Tel (33) 93013322 Fax 93013355

GREAT BRITAIN

KNIGHTSBRIDGE £59/night serviced luxury flats beside Harrods. From £33 in Kensington. Oxbridge Apartments Tel: 071 835-1611 Fax: 071 373-0036.

HOLLAND

AMSTERDAM SOUTH - (A1 SPOT) Spacious furnished flat (130 sq.m.) & 75 sq.m. optional office space. Direct let from owner, yearly with options. Fax 31 20 6625144. Luxapartment, POB 7356, 1117 ZH Schiphol NL.

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

74 CHAMPS ELYSEES
LE CLARIDGE
FOR 1 WEEK OR MORE high class studio, 2 or 3-room apartments. FULLY EQUIPPED. IMMEDIATE RESERVATIONS Tel: (1) 43 59 67 97

7th ECOLE MILITAIRE. 2 bedrooms, nicely furnished, sunny. F13,000 per month. Tel: 45 50 48 00.

CHAMP DE MARS sunny 1 bedroom, top floor, lift, cable. Aug 15th F7000/month. Tel: 47341595 or 415-8638064

EMPLOYMENT

EXECUTIVE POSITIONS AVAILABLE

BROKER
NEEDED IMMEDIATELY FOR INTERNATIONAL INVESTMENT COMPANY
To be based in Budapest to set up complete securities trading operation for newly formed brokerage company. Excellent salary + incentives. 3 to 5 years experience in a major U.S. brokerage house a must. Send resume and references to: Box 1762, I.H.T., 92521 Neuilly Cedex, France.

INVESTMENT BANKER
NEEDED IMMEDIATELY FOR INTERNATIONAL INVESTMENT COMPANY
To analyze projects in Hungary and Czechoslovakia. Excellent salary and incentives. 5 to 7 years experience a must. MBA preferable. Send resume and references to: Box 1763, I.H.T., 92521 Neuilly Cedex, France.

GENERAL POSITIONS AVAILABLE

SMALL SUCCESSFUL INT'L PUBLISHERS REPRESENTATIVE COMPANY
wants to add third sales person, bilingual Dutch/English, to sell advertising to established Dutch companies. Your work can be done from anywhere in Holland. Work full or part time. Reply: I.H.T., P.O. Box 53196, 1007 RD Amsterdam.

OVERSEAS POSITIONS Hundreds of top paying positions. All occupations. FREE DETAILS: Overseas Employment Services, Dept. HT, Box 460, Mt. Royal, Quebec, Canada H3P 3C7.

CO-AUTHOR required preferably grad. student or PhD in history or sociology. Reply Box 1767, I.H.T., 92521 Neuilly Cedex, France.

GENERAL POSITIONS WANTED

GENEVA OR SOUTH OF FRANCE attractive and responsible French Lady, top level international background and experience, social and flexible, fluent in French, English and German, free and willing to travel, seeks permanent confidential position with high level business requesting her personal assistance in P.R. and administrative duties. Write to: cipher F18-115372, Publicitas, CH-1211 Geneva 3

MAJOR DOMO/P.A./BUTLER style position sought by person with exceptional experience, abilities etc. Ideally Special Job, total dedication PERMANENT/TEMPORARY, travel anywhere. Tel/Fax Peter Edwards UK 0787 71307

EDUCATIONAL POSITIONS AVAILABLE

CHALLENGING AND EXCITING POSITION FOR A WELL EDUCATED GOVERNESS includes new places and faces. Languages: French, English, if possible Latin. References required. Please write to Mme Tovier, 12 ave Hoche, 75008 Paris.

TEACHERS, AMERICAN OR ENGLISH, bilingual, experienced, full time. Valid working papers. Tel: Cybele Langues at Paris (1) 42.89.18.26.(13h - 18h).

EMPLOYMENT

EDUCATIONAL POSITIONS WANTED

JUST RETURNED, CHINA BILLET English language experts. Ready for Europe, Latin-America, HE: M/A Communications, columnist in major daily. SHE: B/A Education journalism Co-authored 4 published books. Capable, Spanish functional, Germany literate Italian, French. Healthy, zestful; Apolitical. No cultural disdains. Fax: 305-525-8589.

DOMESTIC POSITIONS AVAILABLE

NANNY TO CARE FOR 2 ADORABLE girls 3 and 6. Light housekeeping, cook evening meals, laundry, drivers license, non-smoker and loving personality a must. Call: 516-331-1511 or send references to Sperber, P.O. Box 230, Patchogue, NY 11772 USA.

AU PAIR FOR 2 CHILDREN age 2 & 4 as of mid-October. Housekeeping, some cooking, speak English. Must drive! Send picture & write to: Mrs. Lopez, 10043 E. Broadview Drive, Miami Beach, Florida 33154 USA.

AU PAIR WANTED, 1 YR.-USA in Connecticut near New York, Monday-Friday, 2 girls, 6 & 8, pool, tennis, must drive, speak English or French. Call (203)853-6568, FAX (203)853-7538.

A CHANGE OF PACE for a bilingual French-English butleress, Paris and country. References required. Please write to Mme Tovier, 12 ave Hoche, 75008 Paris.

DOMESTIC POSITIONS WANTED

ENGLISH NANNIES & MOTHERS' HELPS. All staff thoroughly interviewed. Full dossiers supplied. Excellent terms of business. UK licensed 21 yrs. NASH AGENCY, 53 Church Rd, Hove, Sussex, UK Tel:(403) 711436 (403) 711616 fax (403) 711462.

PORTLAND RECRUITMENT supply top calibre Nannies, Butlers, Cooks and Couples worldwide. Flights/contracts arranged (UK Lic SE17612). Write 68 Great Portland Street, London W1. Tel (071) 323 0608 Fax (071) 436 0382.

EXPERIENCED ENGLISH Nannies and Baby Nurses for int'l jobs from Occasional & Permanent Nanny Agency, 2 Cromwell Place, London, SW7 2JE. Tel: 071-225-1555, Fax:071-589-4966. Lic. UK SE8810.

PRIAVATELY EDUCATED ENGLISH girl student (18 ½), perfect command French/Spanish, seeks home for academic year mid Sep., Paris based family, in return for part-time help. Tel: Spain (34) 71 530780.

2 FRENCHMEN seek permanent positions as caretaker, cook, butler, complete housekeeping. Experience, good references. Have US visa. Reply Box 1755, IHT, F92521 Neuilly Cedex

FRENCH GIRL seeks responsible position Monday to Friday Paris, with American people. No live-in. Cooking/baby-sitting, etc. Isabelle (1) 4558 2800

CHEF/COOK in Provence, Cote d'Azur region, seeks full-time or once off position in nice house. (16) 90 92 02 55

DOMESTIC POSITIONS WANTED

ALBEMARLE BARCLAY
The specialist agency for Nannies, Housekeepers, Butlers, Chauffeurs, Married Couples and Security Personnel.
All staff interviewed and screened personally to meet your individual requirements, both Overseas and in the UK.
Call: 071 493 2461
21 Hans Place, Knightsbridge, London SW1X 0EP.
FRES MEMBER LIC. No. SE 1600

AUTOMOBILES

FERRARI 328 GTS, 1986 20,000 miles, red black, US model, like new. F490,000. Call: (33) 44 42 96 83.

AUTO SHIPPING

SAVE ON CAR SHIPPING. AMESCO, Kribbestr 2, Antwerp Belgium. To/from US, Africa. Regular Ro-Ro sailing. Free hotel. Tl 32/3/231-4239 Fx 232-5353

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444. Nice 9321 3550. Antwerp 233 9985. Cannes 9339 4344

AUTOS TAX FREE

Chevrolet/GMC90New K2500 DIESEL 4x4 pickup aircondition stereo $17,629
90 PorscheCarrera4Targa Red $62,900
90 GMC 4x4 pickupBlack 4.3L $13,727
90 CorvetteZR1 red/redleather$59,900
90S10BlazerSport 5spd sunroof$17,490
90 Jeep Wrangler softtops $10,999
90Jeep Cherokee Limited 4x4 $22,999
90Mazda MiataMXconvertible$15,874
87Mustang 5.0GT convertible $12,975
87newBerlinetta19 Targa loaded$8,890
Prices include European sea freight. Fax us for quotes on other models. OPERT RACING Ramsey NJ07446USA Phone 201-327-1111 Fax 201-3278222

new TAX-FREE used
Range Rover + Chevrolet + etc.
Mercedes + BMW + Audi + etc.
Cadillac + Jeep + Jaguar + etc.
Same day registration possible renewable up to 5 years
ICZKOVITS
Claridenstrasse 36, CH-8027 Zurich Tel: 01/202 76 10. Telex 815915. Fax: 01/202 76 30

OCEANWIDE MOTORS
Since 1972 brokers for Mercedes, BMW, Porsche, GM & Ford. Worldwide delivery, registration & shipment
OCM - WEST GERMANY
Tersteegenstr. 8, D-4000 Duesseldorf Tel: (0)211-434646. Fax 4542120

ATK WORLDWIDE TAX FREE CARS. Export + shipping + registration. All new & used cars. Free radio. ATK NV, Ankerrui 22, 2000 Antwerp, Belgium. Tel: 323 / 2311653, Telex 31535. Fax: 323 / 2316416. ATK, since 1959.

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steindamm 38, 2820 Bremen 77, Germany. Tlx 246624. Fax (0)421/630205. Tel: (0)421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steindamm 38, D-2820 Bremen 77 Germany. Tlx 246624. Fax (0)421/630205. Tel: (0)421/633044.

EURO + U.S.A. SPECIFICATIONS Tax free cars EPA/DOT conversions, shipping. E.A.C. Gevers Deynootweg 1130A, 2586 BX The Hague, Holland. Tl 31.70.3559245 Fx 3500624 Tx 33230

AUTO SERVICES

LICENSE PLATES expired? Fast solution: Fenchon Ltd. BCM Box 49, LONDON WC1N 3XX, UK. 071-4045011; fx 081-9055342. We also insure cars at once.

AUTOMOBILES

DB6 MKT1 AUTO KINGFISHER/navy webso. Present owner 17 yrs. Chapman Spooner refurbishment including engine/gear box/chassis. Very superior example head & shoulders above rest. £79,950.00. Tel 0922 743443/Fax 0922 743020.

FERRARI 288GTO 1985 5000 kms, red, black interior, light weight model. Mint, english plates, tax paid, any serious offers first best price secures & sterling. Telephone (day) 71 487 2500. Fax 71 935 8353. London.

BMW 850I 4X new cars in stock, immediate delivery. Germany phone: 06221 - 475951, fax: 06221 - 475929.

FERRARI TESTAROSSA 1988½ black on black, 7,000 miles, U.S. model, like new. Call: Jake (401) 461-2000 USA.

BOATS/YACHTS

CLASSIC & SAILING YACHTS + motor yachts available for charter in the Mediterranean, all areas, Aug & Sep. Fax J.A. Consultants 33-93 34 08 89

LEGAL SERVICES

QUICK DIVORCE ATTORNEY legal service Karlsruhestr. 120, 6900 Heidelberg. Tel: (49) 6221322280.

DOMINICAN DIVORCE SINCE 1972. Attorney, PO Box 66423, Washington, D.C. 20035 USA. High references.

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1295	F2395
Los Angeles	F1895	F2590
Miami	F1695	F3190
Montreal	F1000	F1890
Vancouver	F2250	F4195
Rio de Janeiro	F3195	F4995
Australia	F4510	F7990
Japan	F4195	F7595
Caribbean	F1480	F2960

and more destinations ...
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply
Tel: (1) 40.13.02.02 & 42.21.46.94
Fax 45 08 83 35
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles
(Lic. 175.111)...and also
ACCES IN LYONS
Tour Credit Lyonnais, 129 rue Servient 69003 Lyons. Tel: (16) 78 63 67 77. Book now by phone with credit card

WORLDWIDE scheduled departure at the lowest ever discount economy airfare. Credit cards possible. Tel Paris 42 89 10 81 or Fax 42 56 25 82

ARTS

SERIOUS JAPANESE BUYER
with CASH looking to buy French Impressionist & other important paintings
IMMEDIATELY
Send all information with photos & prices to: JAMAIS, INC. 127 E. 59th St, NY, NY 10022 USA Facsimile no: 212-360-1747

COLLECTORS

JUKEBOX COLLECTOR has several 1950's classics available for sale. Phone UK 0709 544564.

BOOKS

RARE BOOKS 15-20TH CENTURY Science, Medicine, Technology, Scholarly & Renaissance Books. Catalog $5. Visits by Appointment Only. BRUCE J. RAMER, 401 E. 80th St., 24-J, New York, NY 10021 USA. Tel: (212) 772-6211. FAX (212) 650-9032.

BRITISH BOOKSHOP, FRANKFURT offers a wide selection of British / American books (also children's), British tourist publications. Mail order service-Germany only. 069-280492, Boersenstr 17, 6000 Frankfurt/M1.

STAMPS & COINS

INVESTMENT IN STAMPS a new approach to an awakening market. For details contact Scotia Philately, P.O. Box 75, Twickenham, TW11GA, U.K. Fax 081 744 2846.

PEN PALS

CORRESPOND WITH FINE Americans. Find love or friendship. Send photo and history to: Friends of the World, P.O. Box 47212, Seattle, Washington 98146 USA.

ENGLISH PEOPLE seek contacts USA & all countries for correspondence and exchange visits. C. Allix, 8 Pl. de la Republique, 92200 Levallois Perret.

EN PALS WORLDWIDE. For details send Int'l Reply Coupon (from PO) to GPO Box 4949, Sydney 2001, Australia

COLLEGES & UNIVERSITIES

FULLY APPROVED University Degrees!! Economical home study for Bachelor's, Master's, Ph.D., FULLY APPROVED by California State Department of Education. Prestigious faculty counsels for independent study and life experience credits (5,100 enrolled students, 500 faculty). FREE INFORMATION - Richard Crews, M.D. (Harvard), President, Columbia Pacific University, Department 2138, 1415 Third Street, San Rafael, CA 94901. Toll Free: (800) 227-0119; California: (800) 552-5522; or (415) 459-1650.

COLLEGES & UNIVERSITIES

EXTERNAL DEGREES BACHELORS, MASTERS, DOCTORATE PLUS LAW. Credit work & life experience. No residency. Resume Evaluation. La Salle University, Mandeville, Louisiana 70470-4000 USA Phone 504-624-8932 Fax 504-624-8931

EARN UNIVERSITY degrees utilizing work, life & academic experience. For evaluation & information forward resume to: Pacific Southern University, 9581 W. Pico Blvd., Dept. 121, Los Angeles, CA 90035 USA

Page 6 FOR MORE CLASSIFIEDS

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local IHT representative with your text. You will be informed of the cost immediately, and once prepayment is made your ad will appear within 48 hours.
There are 25 letters, signs and spaces in the first line and 36 in the following lines. Minimum space is 3 lines. No abbreviations accepted.
Credit Cards: American Express, Diner's Club, Eurocard, Master Card, Access and Visa.

HEAD OFFICE
Paris: (For classified only): Tel.: (1) 46 37 93 85, Tx.: 613595, Fx.: 46379370.

EUROPE
Andorra: Tel.: 28264. Fax: 28264.
Amsterdam: Tel.: (020) 730 757. Fax: (020) 73 76 27.
Athens: Tel.: 653-5246. Tx.: 218344, Fx.: 7249508.
Bergen (Norway): Tel.: (05) 913070.
Brussels: Tel.: 343-1899, 343-1914.
Copenhagen: Tel.: (45) 31 42 93 25.
Dublin: Tel.: 797600.
Edinburgh: Tel.: 5573295.
Frankfurt: Tel.: (069) 72-67-55. Tx.: 416721, Fx.: 727310.
Helsinki: Tel.: 647412.
Istanbul: Tel.: 132 0300. Tx.: 26388 ODVI TR.
Lausanne: Tel.: (21) 28-30-21. Fx.: (21) 28-30-91.
Lisbon: Tel.: (351-1) 247 72 93. Tx.: 66885 INTERO P. Fx.: 2477352.
London: Tel.: (71) 836-4802. Tx.: 262009, Fx.: 2402254.
Madrid: Tel.: 555-3306/555-2891.
Milano: Tel.: 5462573.
Stockholm: Tel.: (08) 7172205. Fx.: (08) 7174611.
Tel Aviv: Tel.: 03-455 559. Fx.: 972-3-5468168.
Vienna: Contact Frankfurt.

NORTH AMERICA
New York: Tel.: (212) 752 3890. Toll free: (800) 572 7212. Tx.: 427 175. Fax: 755 8785.
Chicago: Tel.: (312) 201-9393. Fx: (312) 201-9398. Toll free: (800) 535-6208.
Florida: Tel.: (407) 869-8338. Fax: (407) 869-0683. Toll free: (800) 442-3216.
Houston: Tel.: (713) 627-9930. Tx.: 910-881-6296. Fx.: 713-627-9191. Toll free: 1-800-526-7857.
Los Angeles: Tel.: (213) 850-8339. Tx.: 650 311 7639. Fx.: 2138518537. Toll free: (800) 848-4739.
Toronto: Tel.: (416) 585-5485. Tx.: 06-219629. Fx.: 416 5855275. Toll free: (800) 387-9012.
Honolulu: Tel.: (808) 735-9188 Fax: (808) 737-1426

AFRICA
Tunis: Tel.: 710 797.

KENYA
Nairobi: Tel.: (254-2) 740251 Fax: 741411.

SOUTHERN AFRICA
Bryanston: Tel.: 706 14 08.

LATIN AMERICA
Bogota: Tel.: 236 9747 - 256 6096.
Buenos Aires: Tel.: 322 57 17
Caribbean: based in Florida. Tel.: (407) 869-8338. Fx: (407) 869-0683.
Costa Rica: Tel.: (506) 240642. Tx.: 1050 RACSA.
Guayaquil: Tel.: 32 81 81/325248. Tx.: 3196.
La Paz (Bolivia): Tel.: (00591-2) 359842/358130. Fx: (00591-2) 358293. Tx: 3252 (TESTERBV).
Lima: Tel.: 417 852.
Mexico: Tel.: 535 31 64.
Panama: Tel.: 69 09 75.

MIDDLE EAST
Amman: Tel.: 62 44 30. Fax: 624468.
Bahrain: Tel.: 270741.
Beirut: Tel.: 341 457/8/9.
Cairo: Tel.: 3499838.
Doha: Tel.: 416535.
Dubai: Tel.: 224161.
Kuwait: Tel.: 252 3485.
Oman: Tel.: 708049. Fax: 706256.
Sana'a: Tel.: 272672.

FAR EAST
Hong Kong: Tel.: 861 0616.
Bangkok: Tel.: 258 32 44.
Bombay: Tel.: 413 73 96.
Jakarta: Tel.: 586 077.
Karachi: Tel.: 526 901.
Katmandu: Tel.: 221-576.
Manila: Tel.: 817 07 49.
Seoul: Tel.: 734 76 11.
Singapore: Tel.: 223 64 78/9.
Taiwan: Tel.: 752 44 25/9.
Tokyo: Tel.: 504-1925.

AUSTRALIA
Middle Park: Tel.: (03) 696 02 88

NEW ZEALAND
Auckland: Tel.: 775 120.

FRIENDSHIPS

International Partnership-Agency for VIP
Claudia Püschel-Knies GmbH
The Sign of Exclusivity
Headoffice West-Germany, 6000 Frankfurt, Untermainkai 30
T. (0) 69-239306 or T. (0) 6241-27450 daily from 3 p.m. to 7 p.m., also Sat.-Sun.

A very attractive, vivacious blonde, mid 30s/176 with an incredible figure like a model, long hair, long legs and big blue sparkling eyes. She has flair and imagination. She comes from first circles, she is multilingual, educated, and cosmopolitan. The location of her choice would be California. She is sportive, likes sailing, golf, tennis, and skiing. She is well versed socially, is spontaneous, romantic, tender, and lively with class and elegance. She is the woman of your dreams with that certain something and is looking for 'HIM' (up to his 60s) who is open-minded, sophisticated, dynamic, well mannered with a pleasant personality. Please ring: West Germany Frankfurt T. (0) 69-239306 or: (0) 6241-27450 daily 3 p.m. - 7 p.m. also Sat./Sun. contacts possible.

Introduction
The agency for companionship and marriage
M. Th. Kläy, CH-3001 Bern / Neuengasse 45
Tel. 0041-31-22 21 12 / Fax 22 74 29
Swiss – worldwide – since 1956
National Licence
Documentation on request

EDUCATIONAL POSITIONS

AMERICAN COMMUNITY SCHOOL HILLINGDON
requires a
BUSINESS EDUCATION TEACHER
for its high school.
must be able to teach typing/word processing and business related subjects i.e. business accounting.
Please contact: U.K. (0895) 59771 for more details.

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.